FINANCIAL TIMES

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NEWS SUMMARY

Bomb kills cancer expert

Chance cost the life of Professor Gordon Hamilton Fairley, one of Britain's leading cancer research specialists, in yesterday's Kensington bomb blast—and saved the life of the intended victim, Mr. Hugh Fraser, Conservative MP for Stafford and Stone.

The explosion ripped apart Mr. Fraser's car outside his home in Campden Hill Square just as Prof. Fairley was returning to his house next door after walking his dog.

By chance it was the first time Prof. Fairley had taken the dog out at breakfast time for three weeks because he had just returned from a visit to Australia.

And by chance a last-minute telephone call stopped Mr. Fraser going out to his car at the usual time — between 8.45 and 8.50 a.m. — because he had telephoned a fellow Tory MP as the bomb went off, rocking his house and shattering the windows.

It was sheer chance also that Miss Caroline Kennedy, the 17-year-old daughter of the assassinated U.S. President, who was staying at the Fraser home, was not in the car with Mr. Fraser.

Dog dies

Professor Fairley died instantly, his mutilated body being thrown into Mr. Fraser's garden. His dog was also killed. Police think he may have spotted the bomb under Mr. Fraser's Jaguar and have been investigating it as the blast took place.

There had been no warning of the blast which rocked the quiet square near which live Mr. Roy Jenkins, Home Secretary, and Mr. Anthony Wedgwood Benn, Energy Secretary.

Prof. Fairley, head of the unit of medical oncology at St. Bartholomew's Hospital, London, had been a pioneer and world leader on research into treatment of cancer with drugs.

Threats

Police were last night investigating claims of earlier threats to Mr. Fraser's life, one theory being that his wartime service in the Special Air Service — the unit most hated in Ulster — may have singled him out. They think there may be a link with last week's IRA bomb found near Locket's restaurant in Westminster.

In the Commons Mr. Roy Jenkins appealed to the public "not to be intimidated by the viciousness of terrorism." Then, Mr. Fraser, choking with emotion, paid a special tribute to Professor Fairley "who had probably done more for cancer research in this country than any other man."

Mr. Edward Short, Leader of the House, told the Parliamentary Labour Party last night that urgent consideration was being given to improving the security of MPs' offices at Westminster. Parliament, Page 20

GENERAL

Kidnap man may seek deal

Speculation grew last night that Eddie Gallagher, who is holding kidnapped Dutch industrialist, Dr. Tiede Herrema, hostage at Monasterevin, Ireland, is trying to bargain Dr. Herrema's life for the freedom of his girl friend, Marian Coyle, who is thought to be in the besieged hideaway.

In Ulster a car bomb exploded last night at Hilltown near Newry. No casualties were reported. Near Moy, Co. Tyrone, a man and a woman, distant relatives of Margaret McKearney, the girl branded by Scotland Yard recently as "the most wanted person in Britain," were found shot dead.

Parliament Page 20

Consul seized

Mr. Basil Burwood-Taylor, 58, honorary British consul in Asmara was kidnapped from his home yesterday in the third kidnapping in three months in the Eritrean capital, scene of continuing trouble between Eritrean rebels and Ethiopian Government troops. Gwynne Roberts reports on the kidnap squads. Page 7

Gambling probe

A Royal Commission on gambling, to be chaired by Lord Rothschild, is to investigate gambling laws and the financial structure of the industry. Page

Sinai renewal

The U.N. Security Council approved a 12-month extension of the mandate of the 4,000-strong U.N. peace force in Sinai. Middle East news, Page 7

Briefly . . .

Great Britain II, Britain's FT Clipper Race entry, was reported becalmed 1,200 miles south-west of Perth, Western Australia.

Tory and Liberal peers yielded in the Lords and passed the Government Bill which lifts most of the surcharges on the 11 Clay Cross councillors. Page 20

Nobel literature prize has been won by Italian poet Eugenio Montale who is 79. Page 6

BUSINESS

Equities up 5.7, highest since June

● EQUITIES responded well to demand and the FT 30-Share Index closed 5.7 up at 351.4, its highest since June 9 this year, when it reach 352.3. GILTS continued to recover with gains of ¼ or more. The Government Securities index put on 0.23 to 57.84, a gain of 0.89 over the past three trading days.

● STERLING closed at $2.0670, for a loss of 80 points. Its average depreciation widened to 29.3 per cent. (29.2) and the dollar's to 2.57 per cent. (2.55). GOLD lost $¾ to $144.

● WALL STREET closed 5.39 up at 855.16.

● THE TREASURY is to take strict measures to stop the heavy loss of tax from the use of forged or stolen revenue certificates by "lump" subcontractors in the building trade. Parliament, Page 20

● EEC Commission is to seek urgent OECD action to set up voluntary controls on import and price of steel. Back Page.

● WALES is to have 22 new government built factories costing £3.25m., partly as a result of Britain's receipt of EEC Regional Development Fund aid.

● BRITISH LEYLAND'S plans for worker-participation ran into difficulties over the composition of the joint management councils and committees. Page 19. The company is to close its Italian subsidiary Innocenti next month unless labour cuts are agreed. Back Page

● KEYSER ULLMANN Holdings new chief executive is to be Mr. Roy Fenton, a senior official of the Bank of England. Page 8

● GRA PROPERTY Trust share dealing was suspended at the greyhound racing and property company's request. Page 27

COMPANIES

● DUNLOP reports pre-tax profits down £1m. at half time to £20.58m. Page 26 and Lex. Plessey too showed a fall with the six months total to September 30, 17 per cent. down at £17m. (£20.52m.) Page 25 and Lex.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

...ic 3pc 1974-77	£93¼	+ 1
...	215	+ 15
...ment	188	+ 6
... (J.)	64	+ 8
...	128	+ 5
...	317	+ 7
...h Home Stores	354	+ 9
...	65	+ 4
...s	381	+ 8
...ians (London)	152	+ 7
...te	71	+ 7
...an Warehouses	91	+ 5
...er Siddeley	316	+ 8
...	293	+ 5
...ape	333	+ 8
...s (W. and R.)	65	+ 5
... Agency Music	32	+ 4
...ews (B.)	65	+ 5
...ards	365	+ 20
Metal Box	253	+ 9
Morris (Herbert)	57	+ 7
Nathan (B. and I.)	35	+ 4
Northern Foods	63	+ 5
Pearson (S.)	145	+ 5
Sime Darby	85	+ 4
Staveley Inds.	118	+ 6
Turner and Newall	134	+ 6
Unilever	398	+ 8
Walker and Homer	20	+ 3½
Shell Transport	368	+ 8
Charterhall Finance	46	+ 4
Pancontinental	645	+ 20

FALLS

Coral (J.)	80	− 5
Hopkinsons Hldgs.	46½	− 3½
Howard Machinery	49	− 7
Hunting Gibson	143	− 12
Cessnock Hldgs.	190	− 10
Falcon	165	− 15
Gopeng Cons.	195	− 10
RCM	210	− 10

Prince prepares for transfer of power

Franco has another heart attack

BY ROGER MATTHEWS, Madrid, October 23

THE END of General Francisco Franco's 36-year absolute rule of Spain was to-night imminent. At 9.20 p.m., his ten doctors announced that the 82-year-old Head of State had suffered another heart attack.

The announcement was accompanied by hectic political manoeuvring between Senor Carlos Arias, the Prime Minister, the Marques de Villaverde, Franco's son-in-law, Prince Juan Carlos, who will take over as Head of State, and Senor Rodriguez de Valcarcel, who holds three key constitutional posts.

Visitors

Throughout the early evening, Prince Juan Carlos was receiving a stream of visitors. Informed sources said he was making preparations for the succession. This would indicate that the Prince is satisfied that the transfer of power will be absolute.

To-night's bulletin was the first to have been signed by the medical team since General Franco suffered a heart attack in the early hours of Tuesday morning. But even before the bulletin was released, the Franco family were aware that the head of state was again critically ill.

The Marques de Villaverde, himself a surgeon, went to see Prince Juan Carlos at the Zarzuela Palace before lunch, and, it is understood, informed him of the situation. From there, thet Marques went to Prime Minister Arias who was chairing a Cabinet meeting at the time.

Senor Arias then held urgent talks with Rodriguez de Valcarcel who is president of the Cortes (Parliament), chairman of the Council of the Realm and of the Council of the Regency. The Marques also later spent 45 minutes with Rodriguez de Valcarcel.

The medical bulletin actually stated that General Franco was suffering from "incipient cardiac insufficiency." But other authoritative sources stated he had already suffered a second heart attack.

After this, it will be virtually impossible for him to continue as Head of State, and this is believed to have been reluctantly recognised by the family and those friends of the Civil War era who have had so much influence during the past days.

Prince Juan Carlos, 37, faces a tremendous task not only in following the most durable authoritarian leader that Europe has see nin modern history, but in inheriting a nation not allowed to express its true political feelings since 1939.

His most urgent immediate consultations will be over choice of a Prime Minister. The Prince's selection will be of crucial personal importance because of his own relative political inexperience and the tremendous pressures he is bound to come under.

Even before to-night's announcement about the deterioration in General Franco's health, there was a mood of deep anxiety within the country which had been sharpened by the potentially grave situation in the Spanish Sahara.

Certain army units have been put on a low grade state of alert which means some officers and troops have been confined to barracks. This can be explained by the situation in the Spanish Sahara but may also have internal political undertones.

A police communique this afternoon stating that 19 extreme Leftwingers including seven women said to be members of Frap, the Maoist group had been arrested in Madrid on charges of plotting to assassinate leading personalities and police officers came as a sharp reminder that only a week ago the recent outburst of extremist violence was the dominating political topic.

The tension is also showing in the clandestine Military Democratic Union (UMD), 12 of whose members have been arrested for sedition in the past two months. One of its leaders yesterday was urging his colleagues to declare themselves by going to "sympathetic" generals and colonels and urging them to intervene.

If these members of the UMD continue as they have in the past 48 hours, further arrests seem bound to follow. However they are bound to get a more sympathetic reception if the danger of a military confrontation in the Sahara does not recede.

A Moroccan delegation is due to arrive in Madrid tomorrow to discuss King Hassan's plan to send 350,000 marchers into the Sahara to "reclaim" the territory.

[In Marrakesh, Government sources say that the earliest the march can begin would be November 3, because of delays in organising the departure of contingents to the border.]

Trapped

The Spanish Government appears trapped between confrontation and an ignominious withdrawal from the Sahara unless the King modifies his demands. The fear here is that King Hassan is similarly caught and cannot call off the march without showing the people that at least a part of the Sahara has been won.

Spanish Sahara report Page 7

Inflation rate now falling —prices chief

BY ELINOR GOODMAN

ALL THE evidence now coming into the Price Commission indicates the rate of inflation is falling, Sir Arthur Cockfield, Commission chairman, and until now one of the most pessimistic commentators on the outlook for prices, said yesterday.

The situation had improved and in his view would continue to improve "despite periodic setbacks."

The turning-point had now been reached, and there was good reason to believe the retail price index, which on Saturday showed a deceleration in the rata of increase, would not again show the kind of year-on gains seen during the summer.

Presenting the Commission's report for three months to the end of August, Sir Arthur warned, however, that cost increases already in the pipeline meant prices would continue to rise for some time.

It might not be until the spring that the rate of price increase had fallen sufficiently for it to be apparent to the public at large.

The report shows that while inflation rate in the private sector showed signs of slowing down during the summer, it got worse in the public sector.

The nationalised industries accounted for over half the £2.27bn.-worth of price rises notified to the Commission between June and August.

These increases from the public sector were almost five times as large as those from the private sector.

Despite these increases, Sir Arthur stressed that the prospects for inflation as a whole were "clearly in our favour." What the country had to do now was "hold on tight" until the results came through.

Reduced

To support his optimism, Sir Arthur produced new figures. In the three months covered by the report, the Commission's own index, based on prices increases notified to it, rose by 4.7 per cent.

This was considerably above the 2.5 per cent. figure seen in the preceding quarter but well below the March-May figure of almost 7.5 per cent., though, as Sir Arthur pointed out, neither of these latter figures were very representative because of the bunching of oil-inflated price rises seen in the spring and the consequent drop in applications in the summer.

The 4.7 per cent. figure for the three months to the end of September was "probably more representative"

Moreover, since then, the three-months raise had shown a further decline. At the end of September, the Commission's index was standing 4.2 per cent. above its July level, while it is estimated that by the end of this month, the three months' rise will have come down to around 3 per cent.

The number of notifications from Britain's biggest manufacturers reached a peak in June/July, fell in August, remained at the reduced level in September and fell again in October.

The number of notifications is now back to the level seen 12 months ago and is thus not very much above the level of notifications seen when the controls started in 1973.

In the past, the Commission's own index of notifications received has been followed by similar trends in the retail prices index after a time-lag of between four and five months.

All the indications were that the new pay limit had "held fast." Since the beginning of August, the Commission has received 230 price increase applications involving pay settlements under the new policy. None has breached the policy—an achievement which Sir Arthur described as both "remarkable and encouraging."

The Commission's latest quarterly report shows a small recovery in profit margins during the summer. Profit margins among Britain's largest companies had recovered from 52.2 per cent. of their reference levels in the preceding quarter to 56.7 per cent. in the second quarter.

The report again highlights the contribution of nationalised industries to inflation.

While in the six months to May, 1975, the nationalised industries accounted for about 32 per cent. of all price increases notified to the Commission, in the three months to August 31 they accounted for 54 per cent.

While the average prise rise in the private sector in the three months to the end of August was only 4.2 per cent. (as against 7.4 per cent. in the preceding quarter), the average increase from nationalised industries was 20.3 per cent.

Editorial comment Page 22

Financial Times

The Financial Times wishes to apologise to its readers who did not receive yesterday's issue. The paper could not be printed because of industrial action by NGA composing and reading staff.

Government plans 'cash ceilings' on rate support grants

BY COLIN JONES

THE GOVERNMENT has decided to impose "cash ceilings" on the grants it pays to local authorities.

Details are still being worked out, but the scheme will operate from the beginning of the next financial year.

The idea is basically to incorporate in the 1976-77 rate support grant an allowance for the estimated rate of inflation between next month — when the grant is due to be fixed — and March 1977. This will replace the present arrangement whereby the grant is adjusted retroactively in the light of actual changes in pay and other costs.

The decision to impose cash ceilings on the grant—revealed by Mr. Denis Healey, the Chancellor of the Exchequer, in a radio interview on the BBC programme, Analysis last night —has been prompted by the pressure local authorities have been putting on the total public sector borrowing requirement.

Mr. Healey said a fifth of the increase in the borrowing requirement in 1974-75 over the original Budget estimate in March, 1974, was attributable to "unplanned increases" in local spending.

While the pegging of grants in cash terms is administratively feasible and does not require new legislative powers, some doubt may be felt over whether the new arrangement will give the Government more effective control than at present over total local spending and to some extent, therefore, over local councils' pressure on the total borrowing requirement.

Rate-fixing will remain a matter for local discretion and so will total, local, current expenditure, including each council's revenue contribution to capital expenditure.

To take the ultimate step of imposing Ministerial control over each local authority's current spending would breach the long-standing tradition of local autonomy. It would require legislation and pose very considerable administrative problems for the Department of the Environment, which is responsible for paying the rate support grant and overseeing the local authority sector.

Ministers hope that pegging the grant in cash terms, coupled with the very rigid limit they are imposing on the underlying rate of real increase in the grant next year, will convince local councils that "the party really is over."

The apparent toughness of the Government's measures, though, will not be fully measurable until details of the 1976-77 rate support grant are settled on November 21. Ministers will by then have to decide whether or not to raise the percentage of local "net relevent expenditure" which is covered by the grant.

In most years, it has been raised by 1 percentage point, but this year it was increased from 60½ per cent. to 66½ per cent. Another substantial increase next month could undo much of the effect of the decision to fix the grant in cash terms.

Changes in the complex formulae which determine the distribution of the grant could also have a capricious effect upon individual councils' rate calls, next April, which they may find it hard to explain to ratepayers.

Borrowing 'need not be curbed yet," Back Page

£ in New York

—	Oct. 23	Previous
Spot	$2.0650-0660	$2.0785-0795
1 month	1.05-0.98 dis	1.08-1.03 dis
3 months	2.75-2.70 dis	2.84-2.79 dis
12 months	8.35-8.15 dis	8.46-8.36 dis

NI contributions to rise

BY ERIC SHORT

HIGHER-PAID employees will have to pay £1.67 a week more in National Insurance contributions from April 6, 1976 under the new scale of rates announced yesterday in the Commons by Mrs. Barbara Castle, Secretary for Social Services. Employers will have to find up to £2.45 a week more.

The Government is committed under the Social Security Act 1975, to review annually the general level of earnings and to consider what changes in contribution rates are necessary in order that the National Insurance Fund can pay its way. The new rates for employee and employer are being lifted from April 6, 1976 by ¼ per cent. to 5¾ per cent. and 8¾ per cent. respectively.

Contributions are paid on weekly earnings up to a given ceiling. This being raised from its present level of £69 to £95, while the limit below which no contributions are paid is moved from £11 to £13.

Mrs. Castle explained that when the present limit was fixed it was approximately 1½ times the then average national earnings. In the 12 months to April 1975, earnings have risen by 30 per cent. and the new limit has been fixed both to allow for this rise and to ensure solvency of the National Insurance Fund.

It is this raising of the ceiling that accounts for most of the weekly increase for the higher paid, thus maintaining the policy of putting the burden of meeting the extra cost on those most able to afford it. The table shows the effect of the new structure for different wage levels. Those on the present ceiling of £69 per week will only pay an extra 18p a week and the lower paid have a smaller increase. But for wages above this figure the additional contribution rises very rapidly.

For the self-employed, the existing weekly flat rate Class 2 contribution is being left unaltered at £2.41 for men, while the rate for women is being raised by 10p to £2.20 under the transitional arrangements to equalise the rates over a period. However, the upper limit for assessing the profit-related contibution is raised to £4,900, resulting in a maximum extra annual payment of £104 net—£160 gross at basic tax rate.

Class 3 voluntary contributions for the non-employed are to be increased from £1.90 to £2.10 per week. The reduced rate for employed married women and widow beneficiaries remains unchanged at 2 per cent.

The Government Actuary's report on the financial position of the National Insurance Fund shows that he now expects it to be in credit for the current year by some £41m., despite the higher unemployment and lower earnings assumptions. In June his estimate was for a deficit of £368m.

For the year 1976/77 when the new contributions apply, he estimates a surplus of at least £417m.

NATIONAL INSURANCE CONTRIBUTIONS

Wage £	Proposed £	Present £	Increase £
Employee—weekly			
40	2.30	2.20	0.10
69	3.97	3.79	0.18
80	4.60	3.79	0.81
95 and over	5.46	3.79	1.67
Employer—weekly			
40	3.50	3.40	0.10
69	6.04	5.86	0.18
80	7.00	5.86	1.14
95 and over	8.31	5.86	2.45

For latest Share Index 'phone 01-246 8026

LOMBARD

New York debts—a new debate

BY C. GORDON TETHER

WITH ALL the signs indicating that the White House will reverse its earlier decision not to commit any Federal funds to the rescue of New York, the controversy in the U.S. over the city's bonds has developed a new dimension. Who, it is being asked, should find the money to avert defaults in such circumstances—the man-in-the-street or the financial institutions that have profited from the circulation of such paper and stand to lose most from it becoming the subject of a moratorium?

It is an extremely pertinent question. And it is, as it happens, one that it would be entirely appropriate to start debating in this country in view of the ever-increasing amounts of public money that are being committed to extricating the financial community from the crisis in which its secondary banking and property speculation excesses have landed it.

"In respect of New York City," wrote William Buckley Jr., the well-known American columnist and broadcaster recently, "nobody is really interested in the fate of the bondholders who put out money for its securities. What they want," he went on, "is for other Americans to subsidise New York City's way of life."

Wide of mark

In saying this he was reiterating what has become a popular theme in the U.S.—that, as New York's profligate behaviour is entirely to blame for the disastrous state of its finances, the city must stew in its own juice. It is, however, a theme that is wide of the mark in one fundamental respect.

Contrary to Mr. Buckley's portrayal, there is a very considerable interest indeed in "the fate of the bondholders who put out money for New York securities." The reason is that a sizeable part of that paper is held by influential American banks. And they would not only be liable to suffer very considerable losses if New York were forced to declare a moratorium. Because the damage might easily be grave enough to undermine basic structures, in the case of some banks the effect could be to create serious embarrassments in many directions.

Yet the fact that the American banking system has just as big an interest in seeing that New York does not default as the city itself—if not a bigger one—raises another major question of great public interest, as some other U.S. commentators have been pointing out.

The banks that took up the city's bond issues did so with their eyes wide open and of their own free will. And, to the extent that they thereby encouraged it to engage in spending excesses, they can be held to be at least partly responsible for the present mess.

Furthermore, the U.S. financial system has earned considerable sums of money from providing such financing and will be spared large losses if the city is not forced to default. So why should it not have to bear the main burden of bailing New York out, rather than leave it to be shouldered by taxpayers who have played no part at all in the story and have certainly derived no profit from it?

Not decisive

It is, of course, true that the American nation at large has an interest in seeing that the country's banking system is not seriously impaired by the backwash of New York's troubles. But it is not difficult to see that this is far from being the decisive reason it has been represented to be for getting the U.S. taxpayer to shoulder the whole or the great bulk of the cost of ensuring that the city does not default.

It will, indeed, be very interesting to see how this new debate about the handling of New York's indebtedness develops. And not least, as I said earlier, because it has a considerable relevance to the increasing involvement of the British taxpayer in paying for the havoc wrought by our financial system's secondary banking and property speculation excesses.

Taking account of the money that the Bank of England is spending on covering the resulting losses and the substantial sums the Government has had to donate to propping up the Crown Agents, it is evident that this rescue operation is destined to add significantly to the public's tax bill. Yet the nation at large played no part in organising this ill-conceived diversion and derived no profit from it—unlike the financial institutions which, big and small, were deeply involved in one way or another in both senses.

RACING BY DOMINIC WIGAN

Trusted can win nursery

SEVERAL USEFUL two-year-olds have been attracted to to-day's Dick Dawson Nursery (4.0) at Newbury and I shall be surprised if this 11-runner mile event does not provide racegoers with a closely-fought finish.

The three who interest me most are Grey Baron, *Trusted* and Japsilk. All were winners last time out.

Trusted, who carries 8 st 7 lbs and receives 9 lbs from top weight Grey Baron, has had only two outings. A respectable 5th of 16 behind Petalca at Goodwood five weeks ago, he went on to dispose comfortably of a big field of maidens at Nottingham on September 30. The runner-up, Trasi's Son, paid a useful compliment to the form on his subsequent appearance by beating Galahad II and 16 others at Warwick.

In a race which may see most of the runners in contention inside the final furlong I take the lightly raced Trusted to provide Lavinia Duchess of Norfolk with another winner.

A year ago Fred Winter sent out *Midnight Fury* to land the Rosy Brook 'chase (2.30), and

NEWBURY
2.00—Tantalos
2.30—Midnight Fury
3.00—Dramatist
3.30—Kiyoswanee
4.00—Trusted**
4.30—Mary Roan

DONCASTER
2.00—Zarzaltine*
3.05—Cancello
3.35—Two Ronnies
5.10—Blyth's Folly***

his popular nine-year-old, a winner here three times already, should give weight away all round.

At Doncaster, where course winner *Two Ronnies* is a tentative choice for the Beechfield Handicap (3.35), the progressive *Blyth's Folly* is confidently expected to land the October Maiden Plate (5.10).

That smart Northern hurdler Night Nurse earned himself at Newbury yesterday a 12-1 quote for the Champion Hurdle with a highly impressive display in the William Hill Hurdle. Always close up, he forged clear of William Pitt (with whom he had been disputing the lead) turning into the straight, and from that point onwards gradually drew clear to win unchallenged, giving Paddy Broderick his first Newbury winner.

Lanzarote, the former champion hurdler, was making his seasonal debut and tired rapidly inside the final furlong after running well.

The £6,600 Horris Hills Stakes was won in workmanlike fashion by State Occasion who worked his way through the field before forging into the lead close home. This roan Rocket juvenile has a good deal of scope for improvement.

SALEROOM BY ANTONY THORNCROFT

Iran buys antiques

THE IMPORTANT sale of Impressionist and modern paintings and sculptures at Sotheby Parke Bernet in New York on Wednesday night was good in parts, totalling £1,692,179. The best achievement was a record price of £106,537 for *Composition in a Square* by Piet Mondrian, an oil on canvas dated 1922.

Other high prices were £82,324 paid for a Monet, *Les Pyramides à Port Coton*, £67,796 for a Bonnard *Femme au compotier de fruits*, and £55,690 for a Max Ernst *Les Dix Mille Colombes* and for a Picasso *Femme au Miroir*.

In the main the top prices were slightly below forecast, but the only important picture to disappoint was a Dali *Imperial Violets*. The Dodge collection of Rodin bronzes was dispersed for $364,000.

Middle Eastern buyers, who have not invested in antiques as much as might have been expected, were in evidence at Christie's yesterday at a Victorian furniture sale. Two marquetry tables by Holland and Sons—one for card playing, the other for writing, sent for sale by Princess Alice, Duchess of Gloucester — were bought by Parviz, an Iranian dealer, for £525 and £1,155 respectively, well above forecast prices.

The sale totalled £56,695, and more Middle Eastern interest was shown by Oriental Antiquities, who paid £1,575—as against the £300-£400 forecast—for a Carrara marble group of the Three Graces. The top price of the day was £2,520 given by a Glasgow dealer Alexander for a Louis Phillipe porcelain mounted ormolu mantel clock.

Pot lids, fairings, Goss and Staffordshire wares form a solid market which moves steadily but securely upwards. Sotheby's Belgravia had a good sale yesterday which realised £13,511.

Staffordshire figures, in particular, are doing well as they become progressively rarer, and a figure of General Sir William Codrington sold for £320. A rare pot lid of those Crimean allies Queen Victoria, Napoleon III, and the Sultan, made £190. An identical lid was sold for £180 in June.

A 1d Mulready envelope, bearing a Penny Black and posted on the first day of the adhesive postage stamp issue—May 6, 1840—from London to Binfield, was sold for £2,250 at Stanley Gibbons yesterday in a Great Britain auction which made £20,100.

Turnover on Tote up £9.4m.

THE CONTINUED rejuvenation of the Horserace Totalisator Board—once the lame horse of British racing—was displayed yesterday in its report for the year to March 31. The Tote's turnover jumped from £34.6m. to £44m., despite the loss of 76 days' racing last winter, and is still rising.

The Tote made a profit of almost £135,000 and contributed more than £500,000 to British racing, including £311,000 to the Horserace Betting Levy Board.

Lord Mancroft, Tote chairman, says in his report that costs last year were held to the same percentage of turnover as in 1973-74, despite inflation.

The Levy Board's report, also published yesterday, showed that income in the year to March 31 was £8.6m.—of which £8.2m. came from bookmakers, compared with £6.43m. the previous year.

The Levy Board increased its 1975 prize money allocation from £2.57m. to £3.35m. and handed out £956,591 for modernisation schemes at 44 racecourses.

● A Levy Board spokesman said last night that talks were continuing with the Liverpool-based Walton Commercial Group, and with local authorities, over the future of Aintree racecourse.

TV Radio

† Indicates programme in black and white

BBC 1

9.30 a.m. For Schools, Colleges. 10.45 You And Me. †11.00 For Schools, Colleges. 12.25 p.m. Mynd A'r Gan. 12.55 News. 1.00 Pebble Mill. 1.45 Chigley. †2.02 For Schools, Colleges. 3.58 Regional News (except London). 4.00 Play School. 4.25 It's the Wolf and Yogi Bear. 4.35 Jackanory. †4.50 Felix the Cat. 5.00 Blue Peter Special Assignment: Madrid. 5.40 The Wombles.

5.45 National News.
6.00 Nationwide.
7.05 Tom and Jerry.
7.10 The Invisible Man starring David McCallum.
8.00 Sykes starring Eric Sykes, Hattie Jacques and Deryck Guyler.
8.30 Porridge starring Ronnie Barker.
9.00 Nine O'clock News.
9.25 Quiller starring Michael Jayston with Moray Watson.
10.15 To-night.
10.45 Film 75.
11.15 Weather/Regional News.
11.17 The Friday Film: "Night of Terror," starring Donna Mills.
12.32 a.m. Weather.

All Regional programmes as BBC-1 except at the following times:—

Wales—1.45-2.00 p.m. Llon A Llwyd. 6.00-7.05 Wales To-day. 7.10-7.30 Heddiw. 7.30-8.00 Mynd A'r Gan. 8.00-8.30 Some Mothers Do 'Ave 'Em. 10.45-11.15 The Lost Wilderness. 11.16-11.17 News of Wales.

Scotland—10.23-10.43 a.m. For Schools in Scotland. Power: Wind and Water. 11.00-11.20 Schools in Scotland. 6.00-7.05 p.m. Reporting Scotland. 11.16-11.17 Scottish News Summary.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-7.05 Scene Around Six. 10.45-11.15 A New Jerusalem? the University of Ulster. 11.16-11.17 Northern Ireland News.

England—6.00-7.05 p.m. Nationwide. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth). 10.45-11.15 London. Film 75. North (from Leeds) The Way It Is With Me; North-West (from Manchester) Vivian Whiteley—On Her Own; North-East (from Newcastle) The Mike Neville Show; Midlands (from Birmingham) Master Craftsman; West (from Bristol) After the Harvest; South-West (from Plymouth) Peninsula; South (from Southampton) Five Thousand Miles South; East (from Norwich) On Camera.

BBC 2

6.40 a.m. Open University.
11.00 Play School.
2.15 p.m. Racing from Newbury.
5.25 Open University.
7.05 Mr. Smith's Gardening Programme: Fruit.
7.30 Newsday.
7.50 Pot Black. Snooker Championship.
8.15 The Money Programme.
9.00 Fawlty Towers.
9.30 Bix Beiderbecke and the King of Jazz.
10.15 The Wild West Show.
11.10 Newsnight.
11.25 Closedown. Julian Glover reads "Toads" by Philip Larkin.

LONDON

9.30 a.m. Schools Programmes. 12.00 A Handful of Songs. 12.10 p.m. Rainbow. 12.30 Look Who's Talking. 1.00 First Report. 1.20 Lunch-time To-day. 1.30 Crown Court. 2.00 Good Afternoon Money-Go-Round. 2.25 Mid-week Racing from Doncaster. 3.55 General Hospital. 4.20 Pop Quest. 4.50 Magpie Special. 5.20 The Flintstones.

5.50 News From ITN.
6.00 To-day.
6.35 Crossroads.
7.00 Who Do You Do?
7.30 Larry Grayson.
8.00 Hawaii Five-O.
9.00 Beryl's Lot.
10.00 News At Ten.
10.30 Police Five.
10.40 Russell Harty.
11.30 Filmharmonic '75.
12.20 a.m. Books and Belief with with John Barton.

All ITV programmes as London except at the following times:—

ANGLIA

1.25 p.m. Anglia News. 5.20 University Challenge. 6.00 About Anglia. 7.00 Hogan's Heroes. 8.00 The Collaborators. 10.30 Probe. 11.00 Police Woman. 11.55 Christians in Action.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 5.20 Supersonic. 6.00 ATV Today. 7.00 A Joke's A Joke. 8.00 The Streets of San Francisco. 10.30 Extra Time. 11.00 Gentlemen Prefer Blondes with Jane Russell and Marilyn Monroe.

BORDER

12.30 p.m. Police Surgeon. †1.20 Border News. 5.20 University Challenge. 6.00 Border News and Lookaround. 7.00 Mr. and Mrs. 10.00 News and Border Weather. 10.30 The Chamber of Horrors. †12.15 a.m. Border News and Weather.

CHANNEL

1.20 p.m. Channel Lunchtime News, [illegible]

GRAMPIAN

[illegible]

GRANADA

[illegible]

HTV

Report Wales Headlines. 2.00 Women Only. 5.20 Orbit 5. 5.25 Crossroads. 6.01 Report West. 6.18 Report Wales. 6.35 Space 1999. 10.30 Free Time. 11.00 The Collaborators.

[illegible]

SCOTTISH

[illegible]

SOUTHERN

[illegible]

TYNE TEES

[illegible]

ULSTER

[illegible]

WESTWARD

[illegible]

YORKSHIRE

[illegible]

RADIO 1

[illegible]

RADIO 2

[illegible]

RADIO 3

[illegible]

RADIO 4

[illegible]

BBC Radio London

[illegible]

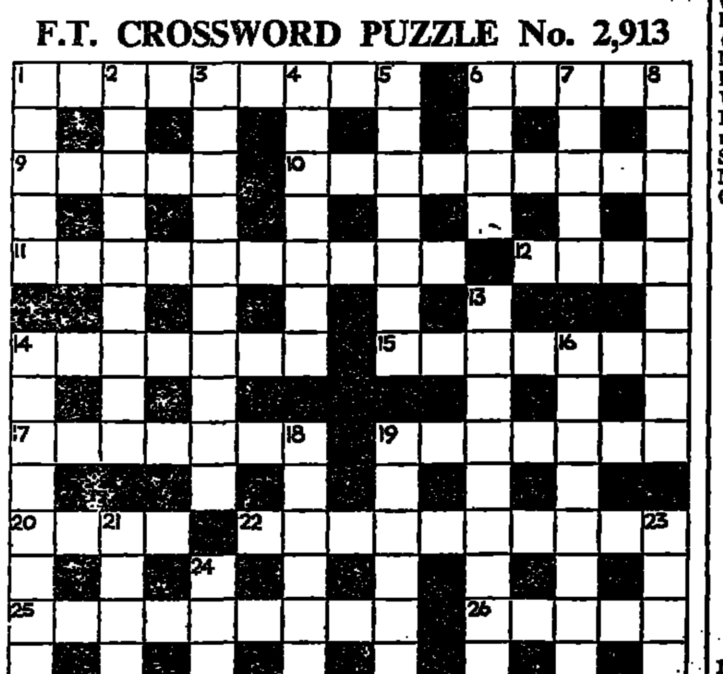
London Broadcasting

[illegible]

Capital Radio

[illegible]

F.T. CROSSWORD PUZZLE No. 2,913



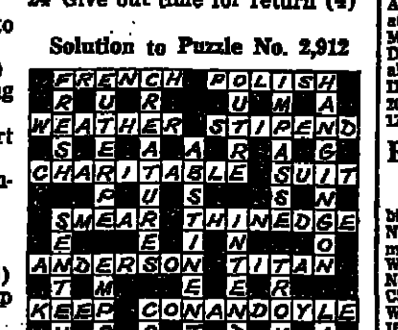
ACROSS

1 There's a catch in this for the circus performer (6, 3)
6 Wise men caught for a spell (5)
9 Share that is for a smart girl (5)
10 Confection for those who are 27 (5, 4)
11 Recoil from season here again (6, 4)
12 Little bit of a holiday (4)
14 Crime committed by receiver (7)
15 Spare the foreign channel swimmer (7)
17 Land in eastern part of America (7)
19 Sale of bridge (7)
20 Greet a stony downfall (4)
22 Put up with plain request to keep off (5, 5)
25 Go with Bill to join firm (9)
26 Take over a party getting exercise (5)
27 Singular legwear is in short supply (5)
28 Menaces from shifting greensand (9)

DOWN

1 Footwear takes a beating (5)
2 Traders are likely to plump for such a surplus (3, 6)
3 Bamboozle Bond with fashionable speed at sea (3, 2, 5)
4 Powerless to be famous . . . (7)
5 . . . concerning current affairs in local (7)
6 Might ring part of Eire (4)
7 Co-ordinated diagram (5)
8 Head has a trip on Bob's racecourse (6, 3)
13 Look out for series on which time depends (5, 5)
14 Start leading a card with frankness (4, 5)
16 Emphasise return by car (5, 4)
18 Day one had dinner to get full (7)
19 Put out when done any different (7)
21 Disguised in part of machine (5)
23 Just deserts they say but still subject to Customs (5)
24 Give out time for return (4)

Solution to Puzzle No. 2,912



BUSINESSES FOR SALE

BUSINESSES WANTED

HOTELS AND LICENSED PREMISES

LEGAL NOTICES

هكذا من الأصل

Double reflections

by RICHARD COMBS

...a (X) Paris Pullman
...and Nightmares (A) Paris Pullman
...d (AA) Academy 2
...ith the Devil (AA) Carlton

...films this week that bear ...to the fruits of civil war. ...arly 40 years of total- ...repression, offer an ...ng double reflection — ...m inside, one from out- ...e system — of the state ...rs in Franco's Spain. In ...t, Carlos Saura's La Caza ...unt), made in 1965, the ...ethod of the film might ...en as the most direct ...e of political censorship, ...ra delivers his critique ...d as a psychological ...three old friends and ...s associates, out for a ...rabbit hunting in the ..., are remorselessy set at ...other's throats by past ...nd present jealousies. In ...ond, Dreams and Night- ...repression and political

...e Entertainment ...ide is on Page 33

...eature in a different way ...sive. behind-the-scenes ...s Abe Osheroff, a veteran ...braham Lincoln Brigade ...Spanish Civil War, ...Spain 35 years after and ...e must probe for the ...beneath the prosperous ...f a country "caught up ...0th century."

...at the protective colora- ...La Caza is particularly ...e, however: its parable is ...asily unravelled, while ...vehemence, and the real ...behind his demolition ...the petit-bourgeois ...ties of his three heroes, ...ntinually visible and ...ally threaten to wear ...very thin by too-literally ...ng every thought and ...o its political equivalent. ...olds the film together ...mosphere which it man- ...generate while manipu- ...ts few characters and ...ome of which, like the ...us gamekeeper with his ...errets and his pubescent ...o trails along with the ...eem lifted from a Luis ...tock company) and con- ...a no-exit situation of ...e emotional and spiritual ...on.

...the three characters share are their experiences of the Civil War, and their beginnings as business partners in grateful acceptance of the regime that followed. What separates them is the subsequent domestic and professional deterioration that has overtaken José and Luis, while Paco continues to make a brash display of his good fortune and compulsively rejects (through his disdain for the weak or the ailing) the kind of doubts and guilts which steadily begin to scratch at the nerves of his two companions through a day of little activity and much unwanted brooding in the sun. The location for their hunt — an old Civil War battleground, pitted with shell-holes and riddled with the warrens which someone remarks constitute a city in themselves — has been chosen by José, and he is inevitably revealed as the most desperately unstable of the group, jealous of Paco and contemptuous of Luis' spineless retreat into a bottle. The latter scorns the hunt as a cowardly kind of activity (while Paco takes to it with all the professional equipment and bravado of a Hemingwayesque adventurer), and comes as close as any of the characters dare to envisaging the overthrow of a system which has supported them and, imperceptibly, sucked them dry. An avid reader of science fiction, Luis conjures up during a drunken lunch a fantasy of a time when rabbits will become the hunters and people the hunted.

Again, the film's outrage and energy seem to be carrying its arguments too close to the surface in the final scenes, when the destructive tyrannies of society are brought to literal apocalypse with a conclusion of abrupt carnage. For most of the time, though, Saura keeps the hyperbole firmly in control and conducts an exact and thoroughgoing autopsy on a corpse uncovered on the site of an old battlefield.

Jose Ma Prada in 'La Caza'

Dreams and Nightmares is an unashamedly personal investigation of the same heritage, and when its anger at the plight of Spain and its anxiety for the future is not tending towards too glib a run down on the principal evils of the 20th century, they do make emotional and political sense out of one man's experience of a particularly sad slice of history. Osheroff's pilgrimage to the battlefields where he fought, and many of his friends died, leads to a consideration of how the survivors from that conflict, and the subsequent generations, have adjusted to the regime that has ruled them since. Eventually (and perhaps a little belatedly), Osheroff arrives at the main point of his thesis, and the justification for its title: that the dream that took him and other Americans to Spain in 1936 is in danger of turning—with American involvement in Spain since World War II being directed towards bolstering Franco—into the nightmare of another Vietnam.

★

War is again the central experience in another kind of documentary reconstruction — Stuart Cooper's *Overlord*, which attempts to relate one soldier's experience of the awesome machinery of war (and forebodings of how it may extinguish his own life) with the distant, depersonalised coverage of such events in archive film. Unfortunately, Cooper's handling of both the scenes featuring his fictional John Doe and the documentary footage seem to aim at no more than a simple, cliched emotional response, and the manipulations are at all times painfully awkward and perfectly pointless.

★

Equally pointless, and certainly just as painful (in the car-smashing and spectacular stunt-driving style of so many recent American rural dramas), is the suffering of the central foursome in *Race with the Devil*. A potentially quite workable plot conceit (and one or two scenes of colourful hocus pocus among a Satanist's cabal in deepest Texas) is very quickly run into the ground when neither writer nor director seem able to find anything for their heroes to do, once they have stumbled by accident on one of the Satanists' sacrificial rites, except to keep running, discovering en route that the entire population of the state must have enlisted in the Devil's cause.

Covent Garden

Baryshnikov

by CLEMENT CRISP

Mikhail Baryshnikov's reputation is as a prodigious technician, a dancer who outsoars the common run of men, the new genius of the classic dance. Such he was when we saw him first during the Kirov's 1970 season at the Festival Hall, a youth still, but a marvel in the grab-bag of pas de deux and solos which were all he was given to dance.

When he opted for the West in Toronto last summer, he was making an artistic decision for greater opportunities, greater challenges, and with American Ballet Theatre and in his wide-ranging travels since then, he has made the world gasp at his technical brilliance.

Thus the Covent Garden audience on Wednesday night, come to see his début with the Royal Ballet, might reasonably have expected to be dazzled by virtuosity and all the external show of physical prowess and beautiful schooling. What we saw, though, in *Romeo and Juliet*, was a great actor who is also a great dancer. And an actor first on this occasion. Of course the dancing had its breath-taking moments — speed and vivacity in movement rare and wondrous to see, including, as a case in point, double *assemblés en tournant* in which he spun high in the air at something like 60 degrees to the ground.

But what caught the mind and the heart was the depth and intensity of this first account of a very complex role. Baryshnikov's Romeo is the youngest I have seen, little more than a boy in the opening scene as he roars through the feuding streets of Verona. On the verge of manhood he seems still to be caught in dreams of adolescence: despite his amused by-play with the harlots, he is innocent for all the fire and arrogance he can assume. The development of the character from the meeting with Juliet is a study in growing-up; the ardour with which he pursues her, the intensity of passion he reveals in the balcony duet, are the signs of a personality just waking to maturity. No Romeo before has suggested so clearly the initial force of his obsession for her. After his first soaring circuit of the stage in the pas de deux—Baryshnikov takes to the air, his body borne up in ecstatic leaps—he kneels, and as Juliet passes by him, he turns eagerly to watch her every step. It is this quality of freshness, of movement and emotion caught on the wing, that made Baryshnikov so compelling throughout the evening.

In act 2 his vitality, the force of his reactions to every incident, were magnificently right. He enters caught up in dreams of love. Baryshnikov has a unique ability to suggest the contemplative inner life of a character: as I reported of his Copenhagen appearance in *La Sylphide* last winter, his James was a man haunted by an inner vision. His Romeo returns to the brawling streets emotionally still with Juliet, and after the marriage, his joy and sense of bemused happiness is almost tangible. His attempt to stop the duel between Mercutio and Tybalt is full of despair at the futility of the squabble, but Mercutio dead, he takes up his sword with a huge ferocity as he turns on Tybalt. Here we can appreciate Baryshnikov's gestural power: action is contemplated, and then bursts out with wonderful clarity. In this it resembles his dancing: movement is fast, the outline quickly drawn, then the body has time to fill it out—accelerated take off, in effect, followed by a ritardando in which we can savour the dynamics at full stretch.

With the last act his physical involvement is entirely admirable: the youth, drunk with passion, who leaves Juliet's bedroom, is seen at the last as a figure broken by grief. At every moment we believe and suffer with him.

And, on purely technical terms, we can but salute a phenomenally accomplished dancer. We knew something of this already, albeit we were not perhaps prepared for the maturity of style. The leaps are high; the turns innumerable and easy; preparations for the most difficult steps seem not to exist, as he takes off on flights that suggest a new breed of male classical dancer. And intriguingly, there is the feeling of something still in reserve, both dramatically and physically. If ever a dancer needed roles to stretch him yet further, to open new vistas of artistic and physical achievement, it is Baryshnikov. It would be a happy event if he were to find some of them with the Royal Ballet.

The Juliet of the evening, Merle Park, gave a clean but too emotionally neat a reading of the part; her dancing was light, the characterisation rather lighter. From Anthony Dowell an unexpected and absolutely convincing début as Mercutio: debonair in all the humour of the role, and heartrending in the death scene.

Anthony Crickmay

Mikhail Baryshnikov and Merle Park

...rch

...o True to be Good

by B. A. YOUNG

...atic writing a good ...it—recollections of old ...ipes at well-bashed tar- ...ical references to the ...of the day, the day ...e year 1932 and Bernard ...his 76th year. The ...tic final Act where all ...fall crumbling to the ...s hardly the conclusion ...hin thread of plot that ...ried on its back the ...flow of philsophy. It ...a grand conversation ...ce Don Juan in Hell, to ...ed for its own irelevant

...splendid writing it is. ...y have come to the end ...issionary days, he may ...en too easily taken in ...ce miracles, such as the ...xcelence of the USSR, ...e had visited the pre- ...ear. He had reached a ...universal pessimism for ...thelucubrations of Cap- ...otover in Heartbreak ...Yet he was still able to ...is thoughts in splendidly ...language and adorn ...ith captivating comedy. ...t the end of the play by ...glar-hero Pops stands in ...orm and shouts inaudibly ...the wind that he will ...and preach and preach, ...feel the pleasure that ...ok in the very act of ...a pleasure far more ...s than the German ...from which little Mops ...ly recovers in Act one. ...vance begins on page ...h the appearance of the ...(Ken Wynne), who ...t in the familiar batter- ...nst the practice of medi- ...hout contributing to it; ...ept out of the way while ...nurse Sweetie (Judi ...and her boy-friend the ...r (Ian McKellen) plan ...rglary in which Mops ...alder-Marshall) soon in- ...erself; and who is dis- ...as soon as we leave the ...for the tropical desert ...e British under Colonel ...(John Phillips) are ...in quelling an ...ry insurrection. ...vance continues with the ...of Pte. Meek (John ...y) on his motor-bike (a ...that Tpr. Ross or Air- ...an Shaw would have dis- ...I am sure). It is not ...part in the story that is ...nt, for it is Shaw's ...to show how private ...rather than colonels win campaigns; but by acceding to the temptation to make him into Colonel Lawrence Shaw has in fact torpedoed this design, Lawrence having been a most active and successful colonel in the field. The peak of irrelevance is reached with the inexplicable presence in the British HQ of Pop's father (John Welsh) in frock coat and striped trousers.

Relevant or not, familiar or not, every scene in the play is replete with that blend of near-farcical fun and improving homily that Shaw practised more especially in his old age. The names of the cast are in themselves a guarantee that both the teaching and the laughter are played with understanding. Miss Calder-Marshall changes in a flash from a permanent hypochondriac into a ball of fire who with a swift kick has Mr. McKellen rolling miserably on the floor like a footballer. Miss Dench switches from Cockney nurse to pretended French countess at the drop of a hint, occasionally needing a poke of Miss Calder-Marshall's umbrella to remind her which side she is on. Her ultimate pairing off with the religious Sgt. Fielding (Joe Melia) hardly seems destined for long success.

As the preacher-turned burglar Ian McKellen is in particularly good form, good alike at grave and gay, like Galuppi, and quite free of the mannerisms that sometimes creep into his performances. The long speech at the end of the play, when all the rest of the company have gone, needs special magnetism to retain full attention, and as Mr. McKellen gives it interest seems to increase rather than diminish as the minutes go by.

The director is Clifford Williams, a pastmaster of elegant comedy. Ralph Koltai has designed sets that suggest some overdue economy by the RSC without in any way lowering their standard. Altogether a very good evening indeed.

The Carpenters cancel British tour

The Carpenters have cancelled their British tour next month for medical reasons. Their first engagement was to have been at the Royal Command Performance.

Royal College of Music

Don Juan

by ELIZABETH FORBES

The Don Juan legend has fascinated writers and musicians for over three centuries and will continue to fascinate them for as long as Western civilisation endures. Peter West, a 23-year-old ex-student of the RCM, is the latest composer to succumb to this attraction; his opera *Don Juan*, with libretto by Roy Jackson, was given two performances this week in the Parry Theatre at the College.

The style of the work is, to say the least, eclectic, but violent contrast between dodecaphonic or taped electronic music and the popular songs of three decades—the opera is set about 1930—is an integral element of the style. Musical influences include Weill, Stravinsky and Birtwistle, while there are parodies of hymn tunes, Gilbert and Sullivan patter songs, music-hall ballads and other kinds of Pop. Literary allusions are even more varied; Molière and Da Ponte provide the framework, but the decorations, so to speak, range from Blake to Hopkins, Shaw and Rupert Brooke. Verbal jokes and puns—"subterfugue" is a good example — tumble over one another too fast to follow.

Great length, however, is not an excess Messrs. Jackson and West have been tempted to commit: their tragical farce lasts under an hour. Juan, fleeing from the faithful Elvira, gets beaten up by a Mafia gang, evidently her relations. Escaping to Sicily with his servant, Alfred, he becomes involved with two local beauties, Charlotte and Mavis. Bullets from an assailant's gun cannot harm him and he runs the man through with his rapier: "The sword is still the most effective operatic weapon." General Jellyfoot, the Stone Guest, arrives for supper and Juan willingly follows him down to hell.

The performance, conducted by Edwin Roxburgh and produced by Joseph Sorbello, was admirably fluent and assured. Juan (tenor) was sung by Richard Brabrooke with consistently agreeable tone and excellent enunciation. As Elvira (soprano), Sally Burgess displayed an attractive voice, ability to cope with jagged vocal lines and talent for putting across a Pop number. Kevin Austin's Alfred (baritone) was better acted than sung, though his words were strongly projected. As Urian (counter-tenor), Christopher Royall had trouble in communicating his Taoist philosophy over the rather dense scoring, but he danced the hokey-cokey a treat! The student orchestra, especially the large percussion section, played energetically.

Haymarket

Betzi

by B. A. YOUNG

"Betzi" was Betsy Balcombe, younger daughter of the family with whom Napoleon stayed on St. Helena until Longwood was ready. Napoleon conceived an infatuation for her, though (if we are to believe William Douglas Home) she was no more than a teenage hoyden. Mr. Home bases his story on Dame Mabel Brookes' *St. Helena Story* and the diaries of Count Las Cases and Dr. O'Meara, and claims that the events in it are based on truth.

Truth or not, they make a pleasantly romantic story. Change the names from Bonaparte and Balcombe to, say, Bennet and Weston, and you would have a flavour of Jane Austen. After the arrival of the horrible Hudson Lowe, there is an increasingly strong element of sympathy for the ill-used ex-emperor. It is good to remember that Wilhelm II was accorded the courtesy of exile, and that the British have made several appeals against the disgraceful prolonged detention of Hess. But Hitler? How polite should we have been to Hitler?

Napoleon, at any rate, seems to have been a companionable chap whose only difficulty was his insistence on being addressed as Emperor. Herbert Lom, though a shade too tall (and who wouldn't be, but Freddie Woolf or Wee Georgie Wood?), provides a good visual portrait and the representation of a kindly, dignified personage without much royal ostentation. Well, Napoleon was not a king by instinct, only by political manoeuvre.

Betsy is played by Briony McRoberts as a nice English girl, though she has some difficulty in scaling herself down to an age appropriate to her tomboy behaviour. Charles West gives a pleasant performance as her father, a man of infinite courtesy even to his country's enemies, and there are workmanlike sketches of the various members of the two households.

These social-background parts are nicely written but give little scope for playing of especial note. Nigel Stock as Sir Hudson Lowe, frigidly polite, impeccably unpleasant, has better material even though there is not much of it, and makes a more memorable impression.

The two scenes, the Balcombes' summer-house and a room at Longwood (by no means as shabby as the dialogue would suggest) are designed by Hutchinson Scott, and the director is Kim Grant. He is to be congratulated on recognising that he is dealing with romance and not history.

WORLD TRADE NEWS

REPORT FROM JAPAN

Car output soars to peak

BY CHARLES SMITH, FAR EAST EDITOR

TOKYO, Oct. 23

JAPAN'S MOTOR production hit a peak of 654,216 units in September, surpassing the 644,000 record established as long ago as October, 1971. It indicates an annual production potential of 7.85m. units. The September figure was 25 per cent. above August — a slack month because of the holiday season — and 11.4 per cent. more than a year earlier. For cars alone, September production of 430,516 units was 20 per cent. higher than in 1974.

The buoyant showing last month, which follows a steady recovery starting earlier in the year, presents a strong contrast with the situation in most other Japanese industries where output is still running below the levels of a year ago. However, motor production and sales in Japan are being stimulated at present by an artifical factor — the impending imposition of strict emission controls on cars.

The 1975 controls, which cut permissible carbon monoxide discharge to one-tenth of former levels, came into effect for new models from April 1. They apply to new cars of old models from December 1, but the industry can continue to sell old model cars not conforming to the new controls up to May next year, provided they are made before December 1.

Since cars conforming to the controls will be significantly dearer, there is a rush to buy "dirty" vehicles, and the industry is stepping up production to take advantage of demand. Output can be expected to level off after December 1, when the controls will apply to all cars coming off production lines.

The impact of the emission controls on the production schedules can be seen in the differing figures for cars (20 per cent. above September, 1974) and trucks (down 1.4 per cent. to 220,577 units). The impact of the controls on demand for trucks is less marked than in the case of cars since truck demand reflects the state of activity in other sectors of the economy.

For the first half to September 30 of the industry's fiscal year production was 11.8 per cent. higher than in the same period of 1974 of 3.51m. units. The industry, however, is still not quite back to the level of activity achieved in the spring and summer of 1973, when Japan went through its last major car boom before the oil crisis. April-September, 1973, output reached 3.54m. units.

The production recovery does not mean Japan is preparing another assault on export markets—indeed in the case of the British market Japanese manufacturers appear to be deliberately holding back sales to avoid causing further friction with the U.K. industry.

The 1975 emission controls, however, together with still stricter ones to be introduced next year, will create serious obstacles for some European car exporters to Japan. When the 1976 controls finally become applicable to foreign cars in March, 1978, some European cars, on present showing, may have to be withdrawn from the Japanese market.

Drowning in a 'lake' of wine

Japan is drowning in a "lake of wine," according to executives of some major trading companies whose excess stocks of imported claret are being unloaded at what must be some of the most attractive prices anywhere in the world.

Top quality Bordeaux wines of 1971 and 1972 vintage have been on sale during the past week at Mitsukoshi Tokyo's most prestigious department store at Yen 650 (£1.04) per bottle, or less than 30 per cent. of the original retail prices.

Mitsukoshi is still selling Romanee Conti 1937 vintage at Yen 100,000 (£160) a bottle only a few feet away from its bargain counter. But the image of imported wine as an up and coming prestige product for wealthy Japanese consumers appears to have been thoroughly deflated as a result of extravagant over-importing undertaken by Japanese companies of all kinds during 1973 and 1974.

Japan's wine consumption, still only around 0.35 litres per head per year, is low compared with most European countries and was almost non-existent before about 1970. From that time on, however, consumption began to double every year, and it was generally assumed that consumption would rapidly rise to the U.S. level of something over six litres per head.

Traditional wine importers acted on this assumption, encouraged, among others, by the semi-government Japan External Trade Organisation, in planning their import schedules. But a variety of other companies also plunged into the wine business in the early 1970's. They included trading companies with experience in other branches of food importing such as Mitsui, the second largest Japanese general trading concern, as well as companies with no experience in any branch of the food industry.

To-day's wine importers include Toyoda Tsusho, the trading arm of the Toyota Group, which also branched out into Chinese carpets when it became fashionable for major industrial companies to help promote Japanese imports in 1973, and Teijin—a major synthetics concern.

Partly because of the huge increase in the number of importers, Japan's intake of imported wine shot up from 3.1m. litres in 1972 to 16.2m. in 1973 and to 36.2m. in 1974. Consumption, however, stopped doubling after the oil crisis hit Japanese consumer spending, and has settled down at an annual rate of increase of around 20 per cent.

The result is that by the beginning of 1975 Japan had enough imported wine in stock to last for at least a year. The warehousing costs involved in storing huge quantities of wine, particularly during the summer—when Tokyo temperatures are often about 20 degrees centigrade higher than acceptable storage temperatures—have been weighing heavily on importers.

Mitsubishi Corporation, Japan's largest trading concern, which is selling St. Emilion through Mitsukoshi for Y650 a bottle, says it was pressed to step up its wine imports a year or two ago by Caldbeck Corporation, the British company through which Mitsubishi imports Johnny Walker, the most popular brand of Scotch in Japan.

Mitsukoshi says its bargain wine sales are meant partly as a loss leader for other items at its current Mitsukoshi Food Fair. But the company does not deny it is having difficulty holding the big stocks it has acquired.

Price cutting, which invariably damages the image of a product with Japanese consumers, is regarded as very much a last resort by Japanese companies in unloading unwanted surpluses.

Rumours of wine being shipped back to France by some major importers were denied to-day by one of the companies concerned.

It is pointed out, however, that the sharp fall in world wine prices over the past 18 months, together with vagaries of the Japanese tax system, could make it profitable for Japanese wine importers to ship wine back to France and then re-import the same wine at a f.o.b. lower price. The corresponding reduction in the taxable value of the wine would more than make up for freight costs.

MIDDLE EAST CONTRACTING

MEDIUM AND small British building contractors have been urged by their trade body to pursue £500m. worth of export contracts open to them in Iran and Kuwait.

A National Federation of Building Trades Employers mission has reported that most opportunities lie in the £10m.-£20m. range. Any company which could normally undertake contracts of £2m. or more in Britain could win business in the two countries.

Major British contractors, notably Costain, Taylor Woodrow and Wimpey are active in the Middle East, and are responsible for much of the £477m. of new contracts in the area negotiated in the 12 months to March, 1975. The Federation now wishes to stress opportunities for smaller contractors, which will usually have to work in co-operation with local companies.

Mr. Robert Willan, senior vice-president of the Federation, who led the mission, said: "The work is there to be won. It can only be won, however, by positive initiatives on the part of interested British contractors prepared to establish contacts with companies in Iran and Kuwait."

Opportunities were also available, he added, for British expertise to be used in training craftsmen, and he has taken the question up with the Construction Industry Training Board.

POLAND 'TO HAVE IMPORT CONTROLS'

WARSAW, Oct. 23.

Poland is to introduce import tariffs next year for the first time in its history, it is reported here to-day. Poland was the only GATT member with no customs tariffs, it was said. The tariff would be set up in accordance with the 1950 Brussels Convention, and would cover 2,100 positions. There would be low tariffs for countries which had granted Poland "most favoured nation" treatment, and higher by 50 per cent. for other states. Details will be available by the year-end.

AP-DJ

ASIAN BUSINESS IN 1976

China wants better commercial relatio[ns]

BY PHILIP BOWRING

HONG KONG, Oct.

MR. GUY M. SAYER, chairman of the Hong Kong and Shanghai Banking Corporation, addressing the closing day of the Financial Times conference here on Asian Business in 1976, said that although China had certainly not abandoned its commitment to helping revolution elsewhere it was prepared to "change from a somewhat stiff attitude to many countries in Asia to displaying an apparent eagerness to establish practical and friendly commercial and diplomatic relations."

The successful economies in Asia were customer-orientated, he said, and noted the shrewd appreciation shown by the Chinese for meeting rural consumer needs. The Soviet development model, which was grandiose in scale, producer orientated and which was planned from the heavy end downwards, was not suited to Asia.

The Soviet failure in rural development, necessitating huge grain purchases, must share part of the blame for worldwide inflationary pressures.

Mr. Q. W. Lee, director and general manager, Hang Seng Bank, speaking on the overseas Chinese in South East Asia, gave a warning that they would have to learn to adapt themselves more readily to "new national identities," and he urged them to shoulder greater responsibility for public affairs.

Mr. W. B. Beam, executive vice president, American Express International Banking Corporation, cautioned against over expectations based on unrealistic reliance on a seemingly inexhaustible supply of dollar funding. Foreign banks, he stressed needed access to a stable base of local funds, and that was all the more imperative in times of global recession and liquidity problems. The creation of an in-depth short term money market as a basis for the development of a genuine investment market was a mandatory step if Asian economies were to be in a position to progress when the dollar pool ran dry.

Mr. Shiro Inoue, president, Asian Development Bank, said it might be necessary to restrict the concessional fund lending this year to $200m. instead of an envisaged $250m. in view of delays in receipt of contributions.

Overall lending during the however, was expected to $700m. Tentative proje were that by 1980 total bank ing would increase by $12 year.

Mr. Soenarto, of the Negara Indonesia, was criti the trend of new investment foreign and domestic, i country. Analysis still ind that a high proportion of i ment was aimed at impor stitution projects. But he m clear that more investmen welcome, and needed. emphasised the importance speedy development of a and capital market, "whic now become an urgent nece

Yesterday, Mr. Philip H Cave, Hong Kong Fin Secretary, said that despi years of near zero growt the colony in 1974 and 1 was reasonable to assu growth rate of at least 6 cent. a year over the n years.

The trend by which G ment spending accounted increasing proportion of it had reached 20 per against a previous nor around 15 per cent.—m halted, if not reversed if ment was to remain at sufficient to maintain the cent. annual growth in p tivity seen in recent years.

Mr. Hussein Najadi, a pore resident Bahraini bu man, who among other th chairman of Arab Inves for Asia, criticised both and Asian attitudes toward other.

Arab investors, he sai showed a great appetit "fixed term triple 'A' secu but shied away from "p tive, risk-calculated bu enterprises outside our

From Thailand, Mr. B Rojanastien, the Finance M and until recently the co leading private sector b went out of his way to e that neither the attitudes country nor Government towards foreign investme altered. Nor was the c politically unstable.

Foreign investors, he should show their faith inherent strength of the economy and thereby "hel democracy work." He dis the application of the "do theory to Thailand.

BL wins £33m. Nigeria order

BY TERRY DODSWORTH

IN ITS first major overseas deal since reorganisation, British Leyland announced yesterday a car and commercial vehicle order from Nigeria, worth £33m., for 8,000 vehicles. Delivery is over the next 12 months.

Nigeria has traditionally been a strong market for BL, although the company has recently lost ground to European competitors. The deal, following some £15m. worth of commercial vehicle orders over the past 12 months, said BL, put it back in a position of overall market leadership.

The vehicles will go to three distribution organisations; Bewac Motor Corporation and two French companies, CFAO and SCOA, and cover the whole range of products, including Marathon, Hippo and Beaver trucks, Land-Rover and Range Rover, and a large consignment of Marinas. Some 80 Jaguars have also been ordered.

Part of the significance deal is that Leyland national, the division responsible for all overseas has identified Africa as a growth area. In Nigeri company is currently nego to set up an assembly pl co-operation with the G ment.

● BOOKER McCONNELL develop a £28m. agro-ind sugar project in the Middl region of Somalia. An ultimately of 12,000 hecta 50/60,000-ton sugar factor able of expansion to 1 tons annually, a distille process molasses, and housing for 1,200 familie ancillary services are in in the turnkey contract.

THE FINANCIAL TIMES, published dail Sundays and holidays. U.S. subs $190.94 (air freight) $381.88 (air m annum. Second class postage paid York, N.Y.

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Simon warns Europe not to push for U.S. expansion

BY PAUL LEWIS, U.S. EDITOR

WASHINGTON, Oct. 23.

WITH THE pace of inflation accelerating again in the U.S., Mr. William Simon, the Treasury Secretary, has issued a thinly veiled warning to Europe against trying to persuade the Ford Administration to adopt a more expansionary monetary policy at next month's economic summit.

Addressing the Senate Foreign Relations Committee yesterday, Mr. Simon insisted that the U.S. retain its "sovereignty" over domestic economic policy. He admitted that both the U.S. and Europe were affected by each other's monetary policy. However, he went on pointedly to say: "Neither they nor we can allow our domestic monetary policy to be determined by the other."

Mr. Simon argued that America's prime duty in the international field was to promote sustainable, inflation-free growth at home—and that this now meant "less expansionary policies than we have pursued in the past." In future economic decision-making, it was necessary to give "explicit and major weight" to the dangers of inflation.

The Treasury Secretary's remarks come midway between last month's annual ministerial meeting of the IMF at which the U.S. came under heavy pressure—along with Germany and Japan—to do more to end the world recession, and next month's economic summit at which the same arguments are likely to be repeated.

At the IMF meeting, Mr. Simon stoutly resisted these calls for faster reflation, as did the Finance Ministers from Germany and Japan. However, at the summit meeting those European countries hoping for a more expansionary course in the U.S. will be able to appeal directly to the President and Dr. Kissinger, arguing that a prolonged recession could endanger Western solidarity and perhaps even democracy.

At the same time as Mr. Simon was addressing the Senators on Capitol Hill, the Labour Department confirmed his underlying fears about the resilience of inflation by announcing that the rise in consumer prices accelerated again last month to 6 per cent. at annual rates compared with only 2.4 per cent. in August. This is roughly in line with the Administration's belief that inflation will be hard to push below 6-7 per cent. in the coming year.

EXIMBANK MOVE ON CREDITS

WASHINGTON, Oct. 23.

THE U.S. Export-Import Bank (Eximbank) announced to-day that it is tightening its programme under which commercial banks are able to discount export credits. Starting November 1, Eximbank said, all discount loan applications will require a new commitment fee and the interest rate the Eximbank will charge a commercial bank on a given transaction will be 1 per cent. below the yield to the commercial bank on its export loan.

AP-DJ

Cut in prime rates expected

BY GUY DE JONQUIERES

NEW YORK, Oct. 23.

HOPES OF an early reduction in U.S. banks' prime rates have been boosted by the recent steady decline in short-term interest rates and by fresh indications that the Federal Reserve Board is continuing to relax its monetary policy.

One small midwestern bank, the Columbia Union National Bank of Kansas City, cut its prime to 7¾ per cent. from 8 per cent. earlier this week, and similar action could be triggered off among the major money-centre banks by First National City Bank as early as to-morrow.

The prevailing prime rate has been at 8 per cent. since early September. The last downward move in the prime occurred in early June, when Citibank cut its prime rate to 6¾ per cent. from 7 per cent., and shortly thereafter interest rates began moving up again in response to a tightening of Fed policy.

Within the past two weeks, the Fed has issued a number of signals pointing to an easing of its monetary posture. Most recently, it has moved to inject reserves into the banking system at a moment when the key federal funds rate has already been trading at a fairly low level.

It is now thought that the Fed has lowered its target intervention rate in the market for federal funds — uncommitted bank reserves—to between 5¼ per cent. and 5¾ per cent., or possibly even less. At the start of this month, its target appeared to be around 6¼ per cent.

The market has read particular significance into this latest move because it coincided with the regular monthly meeting of the Fed's open market committee, which lays down guidelines for monetary policy during the weeks ahead.

There have been significant falls in almost all money market rates within the past few days. The yield on three-month Treasury bills has declined to about 5.6 per cent. from 5.9 per cent. at the latest auction last Monday, and the six-month bill rate has dropped to about 6 per cent. from just under 6.2 per cent.

Since the start of this month, the declines have been even more noticeable. Dealer rates on 90-day commercial paper—on which Citibank's prime rate formula is based—have fallen to 6 per cent. from about 6¾ per cent., and three-month major bank certificates of deposit are now yielding a fraction over 6 per cent., down from almost 7 per cent. at the start of October.

New method of striking oil and gas proposed

BY DAVID FISHLOCK, SCIENCE EDITOR

A MORE subtle approach to oil and gas exploration, based on computer models, rather than the "wildcatting" approach traditionally used by U.S. oil companies might be more relevant and rewarding in to-day's circumstances, two U.S. geologists have suggested.

The reason why the oil industry has been successful in finding small pockets of oil but less so in finding large ones is, they suggest, that it has selectively—if inadvertently—been aiming at the small targets.

If the large U.S. reserves predicted by the U.S. Geological Survey in fact exist, the oil industry is proving "far less successful than it would be if it just drilled holes at random," according to Professor H. W. Menard and Mr. George Sharman of the Scripps Institution of Oceanography, La Jolla, California.

Writing in to-day's Science, the geologists assert that this would be possible if the exploration system had inadvertently been designed to search in what are now the wrong places. A similar analysis of the hypothesis that many giant fields remain to be discovered leads them to the same conclusion.

In 1973, the chance of discovering an oil or gas field by drilling a wildcat hole was one in seven. The chance of finding a 1m.-barrels-a-day field or its gas equivalent was only one in 54.

The geologists have developed a simple model of random exploration to generate possible histories of oil exploration in the U.S. Close correspondence between their computer predictions and the industry's historical records suggest, they claim, that the "powerful tools of probability theory can be useful in analyses of future success in exploration, volume of petroleum reserves and other matters of deep national concern."

Political arrests and clampdown follow foreign oil row in Brazil

BY DAVID WHITE

RIO DE JANEIRO, Oct. 23.

THE POLITICAL temperature in Brazil has risen noticeably over the past few days with a series of protests about political arrests and an instruction to State authorities to clamp down on marches and public meetings.

The instruction was termed in a Justice Ministry note as a "preventive measure" and is believed to be aimed primarily at containing agitation in the universities, where political activity is prohibited.

Opposition to the Government has focused recently on its decision to allow a foreign share in oil exploration. The Opposition party in Congress, the Brazilian Democratic Movement, got into hot water by attributing the decision to "unexplained pressures" from abroad, and Press discussion of the issue has been severely curtailed.

President Ernesto Geisel yesterday attacked the Opposition's current criticisms as unrealistic. At the same time he denied any intention on the Government's part to postpone or change plans for municipal elections next year and general elections in 1978, adding that "Brazil has not had so much political freedom for many years as it has today."

The controversial change in Brazil's oil policy was followed by top-level meetings between the branches of the Armed Forces and consultations between the Justice Minister, Sr. Armando Falcao, and pro-Government politicians.

The past few weeks have seen a sharp rise in the number of political arrests, principally in Sao Paulo, the central state of Goias and the southern state of Rio Grande do Sul. The Archbishop of Sao Paulo, Dom Paulo Evaristo Arns, expressed his concern over recent arrests by the state's paramilitary police, estimated at 50 since the beginning of the month.

Most of those arrested are associated with the youth branch of the Brazilian Democratic Movement. University meetings have been planned to discuss the imprisonment of students and professors.

Meanwhile, some 6,000 students in Salvador have boycotted classes for the past month in protest against teaching conditions. In Belo Horizonte, students were involved recently in scuffles with police who entered the engineering faculty.

Tougher tax rules on meetings abroad

WASHINGTON, Oct. 23.

THE HOUSE Ways and Means Committee has voted to end most deductions for attending business conventions abroad. The committee action was considerably tougher than an earlier measure it approved, which would have limited only the amount of tax write-offs that may be taken for attending foreign conventions.

This action was taken as the tax-writing panel continued to review its tentative previous decisions on tax-revision legislation. The Committee is expected to-day to begin considering various proposals for individual and corporate tax cuts.

The decision on foreign conventions was the first time during this review process that the Committee voted to toughen one of its earlier decisions. Previously, the only changes the Committee had made from earlier actions were watering-down alterations.

The latest, and presumably final, action would bar tax deductions for conventions held outside North America unless certain conditions are met. These include requirements that it would be "more appropriate" to hold the convention outside this continent, or that a sizeable number of members of the group live abroad. The Internal Revenue Service would make such determinations.

It was generally agreed, however, that the latest action would eliminate the vast majority of business conventions held outside North America. Professional and business groups, such as local medical associations, have been increasingly holding their sessions abroad. The Committee's earlier action would have limited only tax write-offs that may be taken for air fare and daily expenses at foreign conventions, regardless of where they were held.

AP-DJ

Lockheed admits illegal payments

BY JAY PALMER

NEW YORK, Oct. 23.

LOCKHEED AIRCRAFT has admitted making illicit and hidden payments to senior Government officials in more than 15 countries, including at least one in Western Europe, as part of its attempts to promote foreign sales.

Although the giant aerospace company refused to give any more details, this new information represents a major breakthrough. While admitting making covert payments totalling more than $22m. since 1970, Lockheed has always previously refused to even hint at the identities or nationalities of recipients.

The new disclosure, ironically, came as part of Lockheed's legal battle to block the effort by the Securities and Exchange Commission to get hold of documents giving full details of the payoffs.

Sra. Peron approves strike Bill

BUENOS AIRES, Oct. 23.

ARGENTINE President Isabel Peron approved a bill banning strikes and layoffs for six months, officials said to-day. It now goes to Congress, where, despite an anticipated long debate, it is expected to be approved.

If approved the law would be retroactive to October 15, meaning that employers would have to reinstate any workers laid off since that date.

● Police to-day released the news editor of the English language daily Buenos Aires Herald after holding him for 12 hours. Argentine-born Andrew Graham Yooll (32) said that he was questioned about communiqués from Left-wing guerilla groups operating in Argentina which were found by police in his desk.

● IN a strongly-worded communique, the Argentine Foreign Ministry has objected to the British Government's announced proposal to send a mission to the Falkland Islands to investigate their economic potential. Argentina claims the British crown colony as the "Malvinas" Islands, and the Argentine Foreign Ministry communique states that the British mission "would not be welcome inasmuch as it would violate the principle of not innovating" which has been laid down by the UN General Assembly.

Agencies

Ottawa will take back excess wages

BY VICTOR MACKIE

OTTAWA, Oct. 23.

CANADIAN Government wage and price controls will not prohibit strikes but any wage gains in excess of the guidelines will be taken back by the Government, Prime Minister Pierre Trudeau has said in Winnipeg.

Mr. Trudeau told a news conference that the excesses will be recovered in one of three ways: direct taxation of the worker, by telling companies to deduct the excess at source or by taking it directly from the company itself. The Prime Minister also said that while all prices will not be monitored, the Anti-inflation Board under Chairman Jean Luc Pepin will be given the power to require a notice of increase for major commodities.

He said that such power is not now provided under the Inquiries Act but will be given in the Anti-inflation Act now before Parliament. The news conference followed a speech by Mr. Trudeau to a combined luncheon meeting at which he explained the need for a wage and price control policy.

He also ran into a noisy demonstration of about 300 rail workers protesting layoffs when he arrived for his news conference. He was strongly heckled and jeered as he tried patiently to explain that the economy required controls to prevent inflation growing worse.

Montreal Airport delay

BY VICTOR MACKIE

OTTAWA, October 23.

MONTREAL'S Mirabel International Airport's operational debut has been postponed for the third time in two years — this time until November 30. Federal Transport Minister Otto Lang to-day announced the scrapping of the October 26 opening date, blaming unspecified "third parties" for the delay and citing the unfinished cargo building and problems with the flight kitchen.

The Transport Department had already permitted all foreign carriers to remain at Dorval until the end of next month. Air Canada will also be allowed to stay at Dorval. The airlines had criticised the October 26 deadline on the grounds that the airport was far from ready.

The Canadian Government has already spent $600m. on the international jet airport which is causing air travellers great consternation because they do not know if they will be landing at Dorval or Mirabel. To make the trip from Dorval to Mirabel takes two to three hours and is a $20 taxi ride.

Jamaica to build $100m. oil refinery

By Canute James

KINGSTON, Oct. 22.

THE JAMAICAN Government is to build a 80,000 barrels per day oil refinery on the south-western coast of the island, to replace the 250,000-barrel per day plant planned over two years ago with the Moratti Group of Milan but which has since been shelved.

This smaller refinery is estimated to cost $100m. and will be wholly owned by the Government. It will, however, be constructed and managed with help from the Mexican Petroleum Institute. Construction is to start in April of next year, and the plant is expected to be in operation by the end of 1978.

Crude for the refinery will be supplied by Venezuela, Mexico and possibly by Iran. Mexico is also helping with financing the project by providing supplier credit of $45m. for material and equipment purchased for the refinery in that country. Supplier credits will also be provided by Japan and the U.K.

The refinery is the first stage of an industrial complex which will eventually embrace linked industries based on chemicals, petrochemicals, fertilisers and caustic soda.

In searching for partners to provide technological and financial help with the refinery, the Jamaican Government spent one year in negotiations with unnamed British, U.S. and Canadian interests.

When the discussions with the Canadians were nearing a conclusion, they broke down over the consortium's request that the Jamaican Government guarantee the total loan portfolio for the project.

VENEZUELAN OIL PRICE RISE

CARACAS, Oct. 23.

VENEZUELA has announced a price increase of $1.48 per barrel of crude oil, effective October 1. A Mines Ministry statement said that the 10 per cent. increase in the reference price per barrel was in line with the rise agreed by the Organisation of Petroleum Exporting Countries (OPEC) last month.

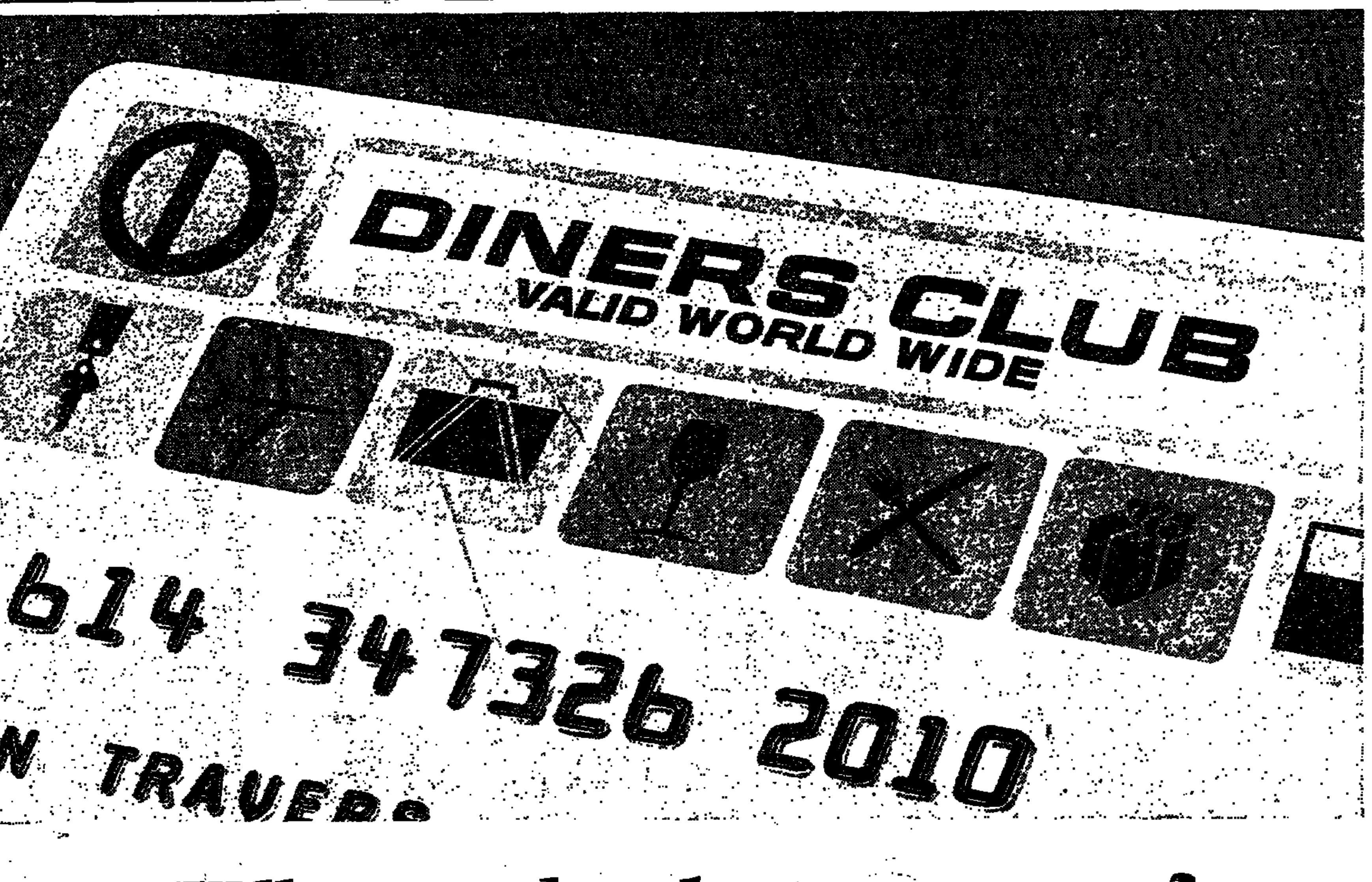
Reuter

CAR SALES UP

DETROIT, Oct. 23.

DETROIT CARMAKERS to-day reported their best mid-month new car sales performance in 17 months—up 37 per cent. from a year ago — but cautiously scheduled new layoffs to avoid bulging inventories of the successful 1976 models.

UPI



EUROPEAN NEWS

Alarm in Lisbon over demo by Communists

BY JANE BERGEROL LISBON, Oct. 23.

ABOUT 15,000 Communist Party supporters to-night massed in Lisbon's Comercio Square shouting "popular democrats out of the government now," many of them brandishing photographs of pro-Communist General Vasco Gonçalves, the former Prime Minister.

Staging of tonight's Communist Party demonstration against the Government, ostensibly under the banner of non-party revolutionary unity and of worker and neighbourhood committees, alarmed the Government enough to order ministries and banks to take special secruity precautions. Certain military units in Lisbon were ordered on restricted alert.

The Communist demonstration is being boycotted by the far Left's United Revolutionary Front and by its armed forces rank-and-file organisation, Soldiers United (SUV).

A row flared after a so-called SUV Press conference supporting the demo turned out to have been a Communist-staged fraud: the SUV secretariat declared: "Nobody from genuine SUV cells attended the Press conference and the secretariat does not support the rally."

Communist strategy is to increase pressure on the sixth provisional government — in which it has only one minister and which it supports "in proportion" to this small representation—in order to force a barter deal: an end to its street power and barracks power tactics in exchange for ousting of the Popular Democrats from the Cabinet.

A strongly-worded Socialist communiqué made plain to-day that Dr. Mario Soares will not accept a change in the government; "there is to-day no Left-wing alternative to the government, which is a Left-wing government," it stated. "We make the Communist Party responsible for whatever happens as a result of the anti-government and anti-Armed Forces Movement campaign it has been promoting for weeks. It is an adventurist action and nobody knows where it will lead the country, while it is making collaboration among democratic forces increasingly difficult."

Dr. Mario Soares has twice met the Popular Democrat leader Dr. Sa Carneiro in the last three days, but he is coming under growing pressure from his own grass-roots to temper the Socialist Party's anti-Communist line and work out a compromise with the CP central committee which will anchor the party on the Left and stop the drift rightwards.

Tuesday's meeting between Dr. Soares, Dr. Alvaro Cunhal, President Gomes and Armed Forces officers from the pro-Communist and Antunes factions gave rise to some optimism that a strategic agreement between Portugal's two largest parties of the Left might be reached. For one thing, Dr. Cunhal's star is waning and a more moderate line emerging—put forward over the past week to basic CP cells. For another, the Socialists are aware of the dangers of the drift Rightwards, depriving the party of "real" Socialists, while causing anger and concern among its Left-wing, who see the party programme endangered.

Last night on television, Army Chief of Staff General Carlos Fabiao echoed the general feeling that unless the Socialists and Communists reach agreement there is no hope for the Socialist revolution in Portugal, nor any possibility of achieving political stability.

The far Left, as a mobilising force, has proved negligible and it is now clear that its demonstrations have been deliberately swollen by Communists when this suited the party's tactics, just as the SUV rank-and-file push into barracks has been encouraged by the central committee through its rank-and-file party members.

Although the far Left remains a force to be reckoned with as far as the Government is concerned—it is refusing to disarm following President Gomes' offer of amnesty last week

Even were the Socialists tempted towards accepting the Communist Party's conditions for alliance—the PPD ouster—this would still not bring the stability the country needs.

RADIO STATION BACK ON THE AIR

RADIO Renascenca, the former Catholic radio station, went back on the air normally to-day after workers took back control over its aerials, patched up the equipment which Government forces had deliberately sabotaged, and broadcast defiant editorials and revolutionary songs.

Russia, China, the United States and World War Three

BY DAVID LASCELLES, EAST EUROPE CORRESPONDENT

A NEW bout of Sino-Soviet tension appears to be developing in the wake of China's latest attacks on détente and its warnings to the West of aggressive Soviet intentions.

The recent worsening of relations was noted by the official Tass news service in a commentary timed to coincide with the visit to Peking of the U.S. Secretary of State, Dr. Henry Kissinger which, as expected, highlighted Peking's opposition to rapprochement between the Soviet bloc and the West.

The article said that statements by Chinese leaders had recently become even more fierce and hostile towards the Soviet Union. And instead of talking about opposition to two super-powers, Peking was now referring to the Soviet Union as the "main enemy" of China.

Giving examples of how relations were being deliberately curtailed, the article said that China had dragged out the 1975 trade talks without reason and that this had led to a drop in trade.

Western observers had suspected that Sino-Soviet trade was in trouble when the annual trade agreement was not announced as usual in July. The occasion is normally used by the Russians to point to a growth in exchanges and express hopes for better all-round relations.

The 1974 agreement foresaw trade worth about $220m., including the sale of Soviet aircraft and equipment to China.

Though low by any standards, the volume of trade had been rising steadily since the trough at the time of the Siberian border clashes of the late 1960s.

In the absence of any significant government, party or cultural contacts, trade represents almost the only serious link between the two countries.

Tass also accused China of "thwarting" tasks on the navigation of border rivers, always a sensitive issue since it was on the Amur and Ussuri rivers that the armed clashes between Russian and Chinese troops took place.

Generally, the article concluded, the Chinese had shown no interest in improving relations or in furthering the border talks which have been dragging on for several years. Furthermore, China was deliberately courting public figures whom the Soviets think are well-known for their hostility towards the Soviet Union, like West German CSU leader Franz-Josef Strauss, U.S. Senator Henry Jackson and former British Prime Minister Edward Heath.

The reason for China's attacks, Tass said, was the failure of its foreign policy, particularly its inability to block the Helsinki conference. But the Peking leadership was also whipping up anti-Sovietism to cover up troubles at home, such as political rifts and economic difficulties.

Until quite recently the Soviet Press has been noticeably quiet about China, and the annual message on China's National Day, which acts as a barometer for relations, reiterated Moscow's desire for good relations and settlement of the border dispute.

But clearly Peking's attempts to thwart détente have proved a strong test of Moscow's patience.

A Special Correspondent writes from Peking: Dr. Kissinger left here to-day for Japan at the end of a visit that seems to have done very little to advance Sino-U.S. relationships. Though the usual curtain of secrecy hangs over Dr. Kissinger's talks with Chinese leaders, it is believed a date for President Gerald Ford's visit was set, with the most likely time being early December.

Some observers here are sceptical about whether President Ford will come on the grounds that the visit will be fairly meaningless, but Dr. Kissinger said in his farewell banquet speech that the preparations for the president's visit were "proceeding smoothly."

During the Kissinger visit it is understood the Chinese leaders tried repeatedly to impress on the Secretary of State that apparent Soviet wishes for détente are a sham and that World War Three is imminent.

In the final hours of the Kissinger visit the Hsinhua English language news service put out the text of a People's Daily article that claimed the Soviet Union was carrying out infiltration in southern Europe "with covetous eyes and outstretched tentacles." The article claims that 700 Soviet agents are working undercover in Italy and that Portugal, Spain and Yugoslavia have been heavily infiltrated by the Soviets. "The United States is seized with apprehensions about losing ground in southern Europe, and the Mediterranean area has thus become a theatre of fierce Soviet-U.S. contention."

Chairman Mao is understood to have taken up the question of détente with Dr. Kissinger during their long talk on Tuesday, but the speeches at last night's farewell banquet seemed to both sides remained u[nconvinced].

The Kissinger party has [made] clear it did not expect [much] progress to be made her[e on] U.S.-Chinese relations, but [it is] also clear that the U.S. [has] arrived without a real u[nder]standing of Chinese feeling [on] détente, which they belie[ve is] being used by the Soviet U[nion] as a screen for war prepara[tions].

The Chinese are obses[sed] on the subject of Sovie[t] détente, which they regard [as a] threat to their own sec[urity]. Over and over again the pa[rallel] has been drawn with the [situa]tion just before World War [II]. During the Kissinger vi[sit a] Chinese official said tha[t the] Soviet leadership was pl[aying] the role of Hitler, Dr. Kis[singer] the role of Neville Chamb[erlain] and that perhaps Senator [Jack]son would play the ro[le of] Winston Churchill.

Editorial comment Page

Bundesbank cuts bond support

BY NICHOLAS COLCHESTER BONN, Oct. 23.

AFTER DAYS of mounting speculation, the West German Bundesbank to-day decided to reduce the extent to which it provides support for the West German bond market by purchasing Government securities. The decision ended a three-month period in which the Central Bank had spent at least DM7.5bn. on such intervention.

Such was the feeling in the market that the Bundesbank's action must come to an end that the Central Bank was forced yesterday to buy DM550m. of Government securities to hold their yields steady. To-day, the Bundesbank's intervention dropped to DM120m.

In explaining its decision, the Bundesbank said that the German banking system now had free liquidity reserves of DM17bn. available to it and that this was ample to cover it and that this ensured that the foreseeable credit needs of the public and private sector could be met. Dr. Emminger, the Vice-Chairman of the Bundesbank, compared to-day's free liquidity with DM2bn. at this time last year. This year's total public deficit in West Germany will be of the order of DM80bn.

After the build-up of the last few days there was clear relief among the Frankfurt bankers that the central bank had reached this decision. They pointed out that it was impossible for the central bank to fight a market trend indefinitely, and claimed that the intervention had ultimately hampered the bond market's fund raising ability. They felt, in general, that the bond market would now settle down without big shifts in prices and yields.

The Bundesbank's intervention became noticeable after a strong bond market had been weakened by growing awareness of the public sector's record borrowing requirement in this recession year. It led in time to a gap in yields between bonds placed by the Government and those placed by the private sector. The former currently yield about 8.2 per cent. for between six and eight years where the latter yield around 9 per cent.

The September trade surplus is DM2.8bn. against DM4.1bn. in September 1974. It results from imports worth DM15.7bn., which is 7 per cent. up on a year earlier, and exports worth DM18.5bn. which is 2 per cent. down.

The current account surplus totalled DM0.8bn. against DM2bn. in the previous September. The current account surplus for the first nine months is thus DM6.1bn. against DM15.1bn. in the 1974 period.

Coal stocks are soaring

BY OUR OWN CORRESPONDENT BONN, Oct. 23.

THE WEST GERMAN coal industry is now accumulating large piles of unneeded coal because the demand that was envisaged for it has vanished under the impact of the economic recession. The mining industry feels that this trend will be financially insupportable in 1976 and is pressing for Government relief. The German cabinet discussed the matter in Bonn yesterday but without indicating that any decision had been reached.

The build-up in German coal stocks this year has exceeded all expectations. At the beginning of the year they stood at around 3m. metric tons (with coke expressed in coal equivalent) and it is estimated now that they will reach 18m. tons by the end of the year. This accumulation compares with a total coal output for the year that will be between 92 and 95m. tons.

Dr. Karlheinz Bund, the chairman of Ruhrkohle, which accounts for about 80 per cent. of Germany's coal production, estimated at the beginning of this week that by making every effort to hold production down the coal industry might be able to limit the 1976 rise in coal stocks to 10m. tons. This would leave them standing at 28m. tons at the year's end.

Irregular EEC farm payments total £6.8m.

By Reginald Dale BRUSSELS, Oct. 23.

"IRREGULAR" payments from the EEC Farm Fund totalled at least 16.4m. units of account (£6.8m.) between 1971 and the first quarter of this year, the Brussels Commission said here to-day. Officials stressed that this represented only "irregularities" that had actually been discovered and said that there was no way of knowing the real figure.

Some of the "irregular" payments might be genuine mistakes, the officials said, but it was clear that nearly all of them were the result of deliberate attempts to defraud the Farm Fund. Over 10m. units had already been recovered and efforts are under way to recover the rest.

In a report to the Nine Governments, the Commission said that by far the greatest number of the sums "unduly paid" were for dairy products.

NOBEL LITERATURE PRIZE TO MONTALE

By John Walker STOCKHOLM, Oct. 23.

THE 1975 Nobel Prize for literature has been awarded to Italian poet and author Eugenio Montale, the Swedish Academy announced today.

Iceland agrees to discus[s] U.K. fishing inside limi[t]

BY MALCOLM RUTHERFORD

THE FIRST hint of progress in the attempts to reach a new Anglo-Icelandic fisheries agreement came yesterday when Icelandic Ministers agreed to discuss at least the possibility of continued British fishing within 50 miles from the Icelandic coast.

There was no agreement about the size of the allowable catch and it remains possible that there will be no settlement when the existing agreement expires on November 13.

The progress came at a meeting in London between Mr. Roy Hattersley, Minister of State at the Foreign Office, and Mr. Einar Agustsson, the Icelandic Foreign Minister. Both Ministers are consulting officials and may meet again to-morrow or at the week-end.

Mr. Hattersley has proposed that the existing agreement be taken as a negotiating text in the search for a new agreement. It allows Britain as annual catch within the 50-mile limit of about 130,000 metric tons by a maximum of 139 trawlers.

Iceland introduced a 200 mile limit on October 15. Until yesterday's meeting, its only concession to Britain was that B[ritish] trawlers would be allowed [in the] area between 50 and 200 [miles,] something which the B[ritish] Government regards as [totally] inadequate.

Mr. Agustsson backed hi[s case] for vastly reduced British [catches] yesterday by presenting documentation on the le[vel of] fish stocks and the rate of [deple]tion. This is said to have [led to] some useful discussions be[tween] British and Icelandic expert[s, but] there is a disagreement [on the] size of existing stocks of [about] 10 per cent.

Iceland has a major inc[entive] to reach an agreement for, [with]out one, it is deprived of f[avour]able access for its fish an[d fish] products to the European [Com]munity. To ensure acce[ss it] must reach satisfactory ar[range]ments with Britain, West [Ger]many and Belgium.

Talks with the West G[erman] Government are due to be[gin in] Reykavik on Tuesday.

Any agreement with B[ritain] would again be on an in[terim] basis pending the outcome [of the] UN Conference on the L[aw of] the Sea. Britain is insist[ing it] must last for more than one [year].

THE SWISS ELECTION

Landslides are off

BY JOHN WICKS ZURICH, Oct. 23.

THE MAGIC formula of Swiss politics is 2:2:2:1, and whatever else changes it is almost sure to survive the general election to be held on Sunday. The formula is the key according to which four parties—Liberal, Social Democrat, Christian Democrat, and the smaller Swiss People's Party—have shared out cabinet seats during 16 years of coalition government and expect to continue doing so once the episode at the polls is concluded.

All 200 seats in the National Council are up for election. A total of 160 national councillors—the counterparts of members of the House of Representatives of the U.S., on whose Parliamentary system the Swiss is modelled—in the outgoing parliament belong to the four coalition parties. There are 49 Liberals, 46 Social Democrats, 44 Christian Democrats, and 21 members of the Swiss People's Party. Ever since 1959 the electorate has been thoughtful enough to cast its votes in such a way as to keep the 2:2:2:1 share-out of ministries a fair one.

The 40 other national councillors are spread over seven other political groups. Of these, the Independents — a consumerist party linked to the Migros co-operative movement and with 13 seats in the old Parliament—have a tradition of opposition, though in the past years the most vocal critics have been the 11 spokesmen of the two xenophobe parties Nationale Aktion and Republican Movement. The other groups are too small to make themselves heard to any extent and of these only the Communists (with five seats) would really feel the need to oppose, the others being historical bourgeois groupings whose views are close to those of the Cabinet.

Recession

Given the current economic situation, almost all election pamphlets, posters and speeches have been angled to the recession and how to beat it. But, with the exception of the outside Right and Left parties—whose importance in the elections is relatively insignificant — the principles tend to be almost interchangeable. The differences between the coalition parties concern mainly the degree to which the Government should intervene in the economy and the degree to which state spending should be cut—or increased.

There would have to be a remarkable shift of loyalty away from the Cabinet parties or from any one of them to alter the complexion of Government for the next four years. A shift of this kind is most unlikely in view of the inflexible vote of a large share of the electorate—often for reasons of local tradition, denomination or occupation over and above any ideological consideration. There is, however, a body of floating voters. In previous elections, they have swelled the ranks of the Independents and, in 1971, the xenophobe groups. With the current economic recession, there is reason to believe that a good many of them may vote Social Democrat this year, possibly with a spin-off for the Communists and local left-wing Socialist groups now beginning to win the odd seat in local elections. It seems quite possible that the xenophobe parties have had their fling for the time being, the Government having reduced the foreign population.

Ministries

One of the pre-election polls sees the Social Democrats vote rising to something like 30 per cent., as compared with only 23 per cent. in 1971, at the expense of almost all other parties. This forecast could prove rather exaggerated. Even assuming a near-landslide entitling the Social Democrats to an extra seat in the Government, the four remaining ministeries out of seven would still presumably be in the hands of right-of-centre parties.

Another reason why Switzerland is almost incapable of changing its political course suddenly lies in the make-up of the Upper House, the States Council, in which each canton has two representatives except for the smallest ones with one each. Only a part of the House is up for re-election, so that there will be no shift away from the crushing Government majority.

The States Council—which has equal parliamentary rights—will remain stolidly right of centre, whatever happens in the National Council.

All this does not mean that the elections are merely an empty exercise in the democratic process. In such an unadventurous political landscape, small adjustments mean a lot. The gain of several seats by the Social Democrats or a relatively good showing by the Communists or others on the Left could well lead to increased efforts in the field of social benefits and the anti-unemployment programme. A good showing by the xenophobes could spell more measures to get rid of foreign workers.

هكذا من الأصل

The honorary British consul was kidnapped in Asmara, the Eritrean capital, yesterday. Gwynne Roberts, in the second of his reports, describes the guerillas' use of the tactics of terror

Life with the death squads

'he Eritrean guerillas are rently waging a brutal cam-gn to eliminate Government nts and the political assassin *is almost a daily visitor to* streets of the province's jor cities.

'he rebels say up to 15 people assassinated weekly in trea by their death squads. *assassins I met* were cialist saboteurs—experts in stic explosives, street killings kidnappings. They were erally attached to the orious *cento quatro* (104) ipany named after the death alty law in force in Eritrea ing Italian rule. This unit ts its activities between the tlefield and the city. It is, effect, the iron fist of the trean Liberation Front.

llagers provided iolehearted support

idnapping is also a weapon *I with ruthless efficiency* by rebels. I was taken last ith to a small village about 40 metres west of Asmara where prisoners were being held *er armed guard. These cap-s* were moved frequently for of Government air attacks all had been snatched from an settlements — or been ered to surrender to ELF scrutiny for alleged crimes against the movement.

As I talked to them the sound of nearby jet fighters caused a flurry of excitement among the guards who interrupted the interview and ordered the prisoners back into an isolated village house. The aircraft bombed a village in the distance, but were unaware *of our* presence.

One man—an Amhara, not an Eritrean—was being held on suspicion of patrolling sectors of the Addis Ababa-Asmara road and *informing the Government troops* where ELF guerillas were lying in wait for army convoys.

An 18-year-old youth I talked to had surrendered voluntarily to answer charges that he had *informed on three school com*panions in Decamere who were later arrested. The youth's captors told me he had confessed. With guards watching closely, the boy told me in *halting English that he had been* given ES15-20 (£3-4) for each betrayal. But it was difficult to judge whether he was speaking under duress.

I asked ELF security officials *whether confessions were extrac*ted by force. "If we have enough information and he doesn't confess, we used to oblige them to talk — using psychological means or even hitting them," I was told. "But our leadership now orders us to send them for general investigation by a judicial committee."

Throughout my eight-week journey across rebel territory, villagers gave wholehearted support to me and my 10-man guerilla escort. Village elders welcomed us warmly, prepared *food and drink—if they had any* and lent us camels and guides for the trek across the savannah on to the 7,000-feet-high Ethiopian plateau. Women yodelled as we entered and left villages. Often the villagers would talk with bitterness of camels shot or houses destroyed by government troops.

But everywhere, the guerillas appeared to live in fear that our presence may be betrayed to the authorities in nearby garrisons or towns. Even when sick with dysentery, I was urged to leave my bed and move on because of the danger of attack. To stay anywhere for more than *24 hours* appeared *hazardous.* Government forts were skirted with caution, main roads crossed at night, villages "cleared" before I entered and scouts sent ahead near the big towns.

Around Asmara, informers clearly present the ELF with a major headache. Guerilla forces seem rarely to spend more than a day in any village. Military leaders are constantly on the move. Villages I had left a few hours previously were bombed and stafed by jet fighters. Eritrean intelligence informed *me that the Ethiopians knew a* white journalist was in the area and I was a target. A regional military commander told me that an informer had probably slipped into Asmara to tell the Ethiopian authorities of my presence. Again, it was difficult to decide whether this was coincidence or foreknowledge.

To counter leakages of information to the enemy, the ELF and PLF have set up tight security structures throughout Eritrea. In every village controlled by the rebels, there is a known representative helped by an unknown security agent who reports on all undercurrents there. This is filtered back to ELF security or to the political commissioner for the region.

Meeting ruthlessness with ruthlessness

Security appears to be one of the more efficient sectors of the ELF military structure. The ELF argues that to defeat the Ethiopians and achieve independence, they must meet ruthlessness with ruthlessness.

The sudden influx of recruits —about 10,000 joined the ELF and its rival faction the Popular Liberation Forces (PLF) after the heavy fighting in February—caused severe organisational problems. Training facilities were stretched and weapons were suddenly at a premium. Eritrean leaders were forced to turn to any would-be recruits.

During six months of political and military training, recruits are allowed to fire no more than five or six rounds of ammunition. Guerillas also seldom waste bullets hunting the plentiful game in Eritrea. But even in the war zones, rebel forces are also woefully short of guns. Near Keren, for example, a garishly dressed company commander told us 50 of his 120 men were without weapons. His force, he *said, had only one machine-gun,* two brens, one recoilless anti-tank gun and two mortars. During an attack, they had only 13 shells for their heavier weapons in their arsenal.

Guerillas in operation: "On the surface, a rag-tag army . . . but it is a deeply-committed force driven by a strongly nationalistic impulse."

Food was also a problem and while the base camp area could be supplied from the Sudan, the villagers in the Eritrean highlands could no longer *sustain* the burden of feeding a much bigger guerilla force than in the past. As a result, food supplies in this region are often near exhaustion with the main battle-zone near Asmara the worst hit. Villages, once dependent on eking out supplies by buying from the towns, are also feeling the pinch under the Government's recently imposed food blockade.

Socialism with fervent simplicity

All the soldiers I talked to believed passionately in the cause of independence. Many also talked of socialism with a fervent simplicity rare among their more sophisticated counterparts in East and West. Their heroes were Marx and Lenin. "The exploiter" and "the exploited" were common words in their vocabulary. The hardships of the battlefield, they said, were to preferred to the soft city life "without freedom."

Some, however, gave strongly emotive reasons for joining the ELF. "*I was uninterested* in politics until about four years ago," related one ELF soldier. "Then, as a boy scout I helped bury about 600 villagers from Una, a village just outside Keren."

The Eritreans forces is still split into two rival wings which until recently waged internecine war against each other. But it is only a matter of months *before the two forces merge in* the cause of unity. They may seem, on the surface, a rag-tag army, but it is a deeply-committed force driven by a strongly nationalistic impulse.

Sahara march delayed

By James Buxton

MARRAKESH, Oct. 23.

AS DIPLOMATIC activity to cool the Spanish Sahara crisis mounted, it emerged to-day that delays in organising the departure of contingents mean *that* the march into the disputed territory will not take place early next week as was at first suggested. Although the first contingents should arrive at the border in the next 24 hours, the last contingents are not now due to leave Agadir until October 31 and Government sources say that the earliest the march could begin would be November 3.

This allows more time for diplomatic manoeuvring and raises the possibility that the march will lose momentum as more and more people collect on the border.

Meanwhile Morocco was expected to send a high-ranking envoy to Madrid later to-day for talks with the Spanish Government and one authoritative source said that *it was to be Mr. Moulay Ahmed Larakei, the Foreign Minister,* who has just returned from the Security Council in New York.

Observers here believe that the Moroccan Government is *taking a firm line in the talks* and is determined for the moment that the march should go ahead and that the Spanish Sahara should be "recovered" by Morocco.

Japan bank rate cut to 6.5%

IY PETER DUMINY

TOKYO, Oct. 23.

'AN'S BANK rate comes n 1 per cent. to 6.5 per cent. iorrow, ushering in probably last instalment of the present ition programme. Eventually, hould bring the entire inst rate pattern down by 0.5 cent. to 1 per cent. at the t end, and by at least token entages in the capital ket, to give Japan its cheapmoney for more than two s.

ie impact will be "mainly hological" the Vice-Minister Finance, Mr. Taroichi nida, said to-day. However, use Japan's interest rate cture is highly inflexible, it take several months before mercial borrowing and lendrates are reduced overall. efore, funds tied up in the orate sector's interest len will not immediately be rated and available for new stment, he said.

he Bank of Japan has estied that a 1 per cent. reduc- in lending rates would re-e $3.3bn. of corporate funds, ng a like increase in profits. fact, the Finance Ministry not expect more than two-ds of the present bank rate to be passed on to lenders, the impact should neverthe- become significant by the quarter of next year.

The practical reason for the delay is that, in Japan, bank overdrafts are formally three-month contracts as a rule, which means borrowers will not qualify for relief until the contract periods run out.

Bank deposit rates, including the Post Office savings bank's, will officially be reduced on November 4. The Post Office authorities have been the main obstacle to the interest rate changes, including the cut in bank rate which had originally been planned for three weeks ago. The factors involved have *been that the Bank of Japan* was determined that the official bank rate move would be followed by the private sector, but was told by the banks that there was no room for lower lending rates *unless deposit rates* came down as well. Meanwhile, the banks could not contemplate lower deposit rates while the $65bn.-rich Post Office savings institution held out against it.

Japan's business recovery is still proceeding very slowly, and by some indicators was actually interrupted in August. The main cause for concern was a 1.5 per cent. fall in industrial production from July (seasonally adjusted), after five months of continuous, though modest, improvements.

Zaire debt repayment lelay causes concern

BY MARY CAMPBELL

ERNATIONAL bankers are freely admitting that pay-its due from Zaire on some of external borrowings are iyed more than administrative olems alone could explain. exact amounts involved are no means clear, partly ause some payments of in-st and *principal*—particularly se connected with trade trans-ons—are continuing and, tly, because Zaire has rowed from a wide number of ks. However, it seems that amounts already overdue ld run to several million ars.

seems clear, however, that kers who have participated in is on which payments are rdue are not planning to put e into default. In the first e this would not necessarily l to repayment to any indivi-l bank concerned while such move would significantly exacerbate the situation for the international banking community as a whole: most medium term loan agreements include a clause under which a default by the borrower on any other loan automatically makes repayment due immediately.

In any case the current delays are not, apparently, what is really worrying bankers about Zaire—the amounts involved so far are probably less than banks have had to reschedule or forgo on some other categories of Euromarket borrowers, U.S. real *estate investment trusts for* example. The real problem, they suggest, is Zaire's future capacity for servicing its $500m.-$1bn. medium term external borrowings from commercial banks.

Although Zaire's current problems derive partly from difficulties in transporting its exports to foreign markets, the fall in the copper price has clearly also been a major factor. Bankers

Tanzam railway officially opened

BY OUR OWN CORRESPONDENT

LUSAKA, Oct. 23.

ZAMBIQUAN ports and *tes keep Zambians alive,* sident Kaunda declared ay as he launched the first senger train of the new zania-Zambia Railway hority (TAZARA).

he official opening of the 0m. Chinese built railway, se 1,859 kilometres of track completed ahead of schedule, attended by Tanzania's First e-President Rashid Kawawa delegations from China and Mozambique. The railway which *has* already started *hauling* Zambian cargo from Dar Es Salaam, will also help landlocked Zambia get around the problem of the closure of the Lobito route because of the Angolan civil war. TAZARA is already carrying cargo at the rate of 12,000 tonnes a month, and this rate is likely to double when 777 rail wagons and six new diesel locomotives, currently held up in Angola, eventually arrive.

N MANDATE IN NAI EXTENDED

NITED NATIONS, Oct. 23.

TH THE Soviet Union join- the Western Powers in port of the resolution, the urity Council to-day roved a 12-month extension, il October 24, 1976, of the *adate of the 4,000-man UN* ce force in the Sinai. As ore, China and Iraq did not ticipate in the vote, but they ressed only the mildest ervations on the Council's on. *The Soviet* delegate ed for the resumption of the ieva conference, with the ticipation of the PLO, and ommended that the UN hold n the costs of the force.

PAKISTAN ENTERS SECURITY COUNCIL

By Our Own Correspondent

UNITED NATIONS, Oct. 23.

PAKISTAN was elected to a seat on the United Nations Security Council to-day, in the eighth ballot, after a deadlock was broken by India's voluntary *withdrawal from the contest.* In the previous ballots, conducted in the General Assembly, neither of the two states of the sub-continent had received the required two-thirds majority for election. But *except in the first ballot,* Pakistan was consistently ahead in the vote. Balloting had been suspended for 48 hours to enable the two countries to consider how to resolve the impasse.

HOME NEWS

Saudi Prince says U.K. has not asked for loan

BY RICHARD JOHNS

NO REQUEST for a loan was made this week during the official visit to Britain by Crown Prince Fahd, the heir apparent to the Saudi throne said last night.

He added, however: "Now the door is open for both Britain and Saudi Arabia to discuss any matter of mutual benefit to the two countries."

The implication was that the question could now be discussed within the broader framework of joint collaboration which has been laid this week in the talks between the high-powered Saudi delegation led by Crown Prince Fahd and the Government. This was expressed in the form of an unpublished memorandum providing for a joint Anglo-Saudi commission designed to identify areas for U.K. participation in the kingdom's development plan.

Crown Prince Fahd said that he did not have "the details" of the size of Saudi Arabia's sterling holdings—believed to be rather more than £1bn.—but assured that his Government had "no intention of taking any actions which would harm the position of sterling." He also revealed that the Governor of the Saudi Arabian Monetary Agency would visit London soon for consultations on the kingdom's holdings in the City.

In line with well-established Saudi policy he explained his country's concern for Britain's economic well-being and stability: "Britain is a central major country which has to be taken into consideration because of its position in the Free World is of great significance. I don't believe that it is useful or beneficial for any country with trade relations to see a problem created for it."

On the general question of safeguards for Saudi Arabia's financial assets held abroad, now amounting to over $35bn., the First Deputy Premier and strongman of the regime said: "We will not make any unreasonable demands."

He tactfully avoided saying whether or not he and his colleagues—who included Prince Saud bin Feisal, Minister of Foreign Affairs, and Sheikh Mohammed al Qussibi, Minister of Finance and National Economy—had been reassured about the prospects for the British economy. But in diplomatic terms the Saudi Government's worry on this score was highlighted to an extraordinary degree by Wednesday night's communique.

It said: "The British side understand and appreciate the views and concern shown by the Saudi side. In this connection British Ministers affirmed their determination to win the battle against inflation."

Certainly, the communiqué was notable for its emphasis on both the Conference on International Economic Co-operation and the development of a closer European-Arab relationship.

On the Middle East conflict, the two sides "underlined the need for early progress towards the achievement of a comprehensive settlement in the region, which must include a just solution of the Palestinian question."

The Saudis, though, were disappointed, the British Government would not agree to a criticism or condemnation of the Israeli policy of populating and developing the Golan Heights.

The memorandum on the joint commission says the Saudi Government will use its "best endeavours" to give contracts to British companies, and specifically mentions new towns, the development of rapid ports, education, agriculture, health services, roads, telecommunications and water technology as promising areas for participation.

Credit licensing moves to start in February

BY ELINOR GOODMAN

ABOUT 12,000 credit reference agencies, debt adjusters, debt counsellors and debt collectors will have to start applying for licences in February, the Office of Fair Trading said yesterday.

The licences will take effect from August and without them businesses will not be able to operate after the summer.

The Fair Trading Office's move is the start of a three-stage programme, which will eventually mean that all 100,000 companies in the credit business will have to be licensed by the Director General of Fair Trading.

Last year's Consumer Credit Act gives consumers far wider protection in credit transactions and puts a statutory obligation on companies to disclose the true cost of credit facilities.

It gives Mr. John Methven, Director General of Fair Trading, the power to refuse a trader a licence if not satisfied that he is a "fit person" to provide credit. The Act will be brought into force by regulations over the next 18 months and will be implemented by the Office of Fair Trading.

Ancillary credit businesses have been chosen as the first category for registration because they have generally caused most public concern. They include businesses which collect and provide information about customers seeking credit.

Once businesses in the first category have obtained their licences, consumer credit and hire businesses will have to start applying for registration in August. This second stage will involve banks, finance houses and retailers who provide their own credit facilities, as well as hire businesses such as car and television rental companies.

The final stage, which will begin in the first half of 1977, will cover credit brokers. These are businesses which introduce their customers to the source of a loan or credit to finance the purchase of goods or services.

They include such traders as car dealers who sell cars on hire purchase provided by finance companies.

New chief executive for Keyser Ullman

By Margaret Reid

MR. ROY FENTON, a senior official of the Bank of England, is to be chief executive of Keyser Ullmann Holdings, the banking concern which recently announced losses of £61m. and is in receipt of support loans from the big bank's "lifeboat."

The appointment of Mr. Fenton, who for ten years has headed the Bank of England's

MR. ROY FENTON

Overseas Department, is the latest in a succession of top management changes at Keyser Ullmann.

In March, Mr. Derek Wilde, a vice-chairman of Barclays Bank, took over as chairman from Mr. Edward Du Cann, MP, chairman of the Conservative backbench 1922 Committee.

In July, the two joint managing directors, Mr. Roland Franklin and Mr. Ian Stoutzker, resigned, just a year after two other directors, Mr. Jack Dellal and Mr. Stanley Van Gelder, had left.

Mr. Wilde said yesterday: "We are very lucky to have found Mr. Fenton. We lost our managing directors and I have been looking for somebody who carried the respect of the City and, in particular, had not been involved in recent troubles."

Mr. Fenton, who is 57 and would have been due to retire from the Bank of England in about three years, was earlier in his career the first governor of the Central Bank of Nigeria. His remuneration at Keyser Ullmann is expected to be about £30,000 a year.

Inspectors' report criticises Willment for 'mismanagement'

BY STEWART FLEMING

ALLEGATIONS of insider trading in share deals, breaches of provisions of the 1948 Companies Act, incompetence and mismanagement are contained in a report issued yesterday by the Department of Trade after an investigation into the affairs of John Willment Automobiles, a quoted motor dealing business based in Twickenham.

Receivers were appointed to the company and eight of its subsidiaries last December.

The investigation was ordered by the Secretary for Trade and Industry on May 30, 1973, after requests from minority shareholders in John Willment Automobiles, a public company whose shares were suspended in October, 1972, for delays in the publication of accounts.

The inspectors, Mr. P. J. Millett, QC, and Mr. Martin Harris (who subsequently became director general of the City Panel on Takeovers and Mergers), have extended the scope of their inquiry to cover the public company and its ultimate holding company, John Willment (Properties).

John Willment (Properties) is a private company controlled by Mr. C. J. R. Willment, who was chairman and a director of the public company.

One of the main findings of the report was that Mr. Willment "was not able to distinguish the interests of outside shareholders from his own." It is suggested that this failure contributed to the financial difficulties of the public company, although its collapse is ascribed to decisions in 1971 and 1972 to undertake two ambitious new projects.

The inspectors come to the conclusion in paragraph 602 of their report that "the private group ... was mainly engaged in property development and investment ... was invariably short of cash ... its activities generated little cash flow.

"The public group's trading activities provided the necessary cash flow, and Mr. Willment saw nothing wrong in taking advantage of it for the benefit of both groups. He simply paid the more pressing bills out of whatever ready money was available."

The inspectors say in their conclusions: "We have found no evidence of fraud or dishonesty but much of incompetence and mismanagement.

"In their conduct of the affairs of the public group Mr. Willment and his fellow directors have played a want of care ... competence."

They cite acquisitions made without proper prior investigation or adequate consideration given to raising necessary finance, misuse of the liquid funds of the public group, inadequacy of internal accounting and an absence of reliable management information before 1974 as factors which have contributed.

The inspectors say early in their report that two directors, Mr. A. J. Richards and Mr. S. J. Lambert, "in the knowledge that negotiations were in progress acquired shares for their own benefit or advised close associates to do so."

"Although such insider dealing is not illegal, we regard the conduct by professional men entrusted with the conduct of confidential negotiations as deserving severe censure."

The inspectors also report evidence of breaches of sections 54 and section 190 of the Companies Act, 1948.

More changes likely by spring to take-over code

BY MARGARET REID

A FURTHER crop of changes to the City Take-over Code, many of a relatively minor kind, are expected to be introduced by the spring as a result of the latest thorough-going review now being made of its contents.

The Code, administered by the City Take-over Panel, whose chairman is Lord Shawcross and whose director-general is Mr. Martin Harris, was previously revised in June last year, when a limited number of important alterations were introduced.

One change required that when one company made significant share purchases, raising its stake in another company above 30 per cent., it should bid for the rest of the latter's capital.

The present review is a systematic one of all the Code's provisions and is the first of such a complete nature for about three years.

One adjustments being considered would be a more forthcoming attitude in the Code's rules towards partial bids, which are extremely common in the United States and elsewhere abroad, but not so usual here.

Offers for less than the full amount of a company's capital now need the Panel's prior consent and thereafter other restrictive conditions.

In future, decisions on the desirability of partial bids could be allowed to rest rather with shareholders of the target company than essentially with the Panel, though the Panel might retain some interest.

Further provisions are also being considered concerning the need for independent assurances that a company acquiring a block of shares in circumstances where it must follow up with a general offer, has the financial resources to mount the offer.

Closer definition of the important concept of parties acting in concert is another matter which may be dealt with in next year's intended adjustments to the Code, which may also remove bids by British companies for foreign companies from the ambit of the Panel's supervision.

Alterations to the Code are ultimately the responsibility of the City Working Party on which are represented the various leading City bodies, including the Stock Exchange, the banks and the various types of investment institutions.

Sir Alan to quit as Bass chairman

By Kenneth Gooding

SIR ALAN WALKER, one of the brewing industry's most powerful figures, is to retire as chairman and chief executive of Bass Charrington in January.

Sir Alan, who is 67 and who last year was paid £42,245 by Bass, will be succeeded by Mr. Derek Palmer, now deputy chief executive.

He is to give up his main Board directorships with Bass and become the group president, but will retain some of his directorships with certain group subsidiaries.

Since Sir Alan entered the industry in 1956 he has steered his original company, Mitchells and Butlers, through several

Derek Palmer, Bass Charrington

mergers so that what was a medium-sized company making annual profits of £1.7m. is now the U.K.'s biggest brewer of beer with about 18 per cent. of the market.

He became chairman and chief executive at the time of the £300m. merger in July, 1967, which produced the Bass Charrington group.

Bass has about 9,200 pubs, 1,100 off-licences and hotels, and last financial year made taxable profits of £50.1m. on a £372m. turnover.

As a drinks group, with widespread wine and spirit interests as well as beer, it is running neck-and-neck with Allied Breweries for the title of the biggest business of its kind in Europe.

Men and Matters, Page 22

Engineering orders lowest since 1972

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

ENGINEERING INDUSTRY orders-in-hand at the end of July were down 20 per cent. from the peak levels of last year and at their lowest point since the 1972 recession.

The fall in new orders from overseas markets was even more severe: they were down 30 per cent. in the first seven months of this year, according to the latest provisional trend estimates of sales and orders released by the Department of Industry.

The statistics, announced to-day in Trade and Industry magazine, have been overshadowed to some extent by the publication earlier this week of the latest forecasts from the mechanical engineering "Little Neddy."

Trough

These suggest that the order intake by the industry has probably reached the bottom of the demand "trough" and could be expected to "bump along the bottom" until at least the middle of 1976, when the upturn might begin.

Until that time there must be considerable anxiety among many engineering companies about their ability to cope with rapidly-emptying order books.

To-day's Department of Industry statistics suggest that the trend of net new orders to the home market remained uncertain at the end of July while the export market was steadying after a period of long and marked decline.

Between April and July there was a decline in net new orders of 3½ per cent., a fall influenced by erratic monthly movements in the home market which depressed the domestic trend over these months by 4½ per cent.

The level of new orders to the export market was relatively unchanged suggesting that overseas orders had at last steadied.

With a continued higher level of sales than orders there was a further fall in orders-on-hand between April and July of 5 per cent. which was fairly evenly distributed between the home and export sectors.

Prototype reactor starts up

By Our Science Editor

BRITAIN'S LATEST nuclear power station—one of the most advanced in the world—began to deliver electricity to the national grid yesterday, although at present it is generating only about one-eighth of its design rating.

The prototype fast reactor at Dounreay, bedevilled by leaks in its steam generators and other problems outside the nuclear reactor, is now operating at about 150 MW (thermal), equivalent to about 30 MW of electrical output.

Only one of its three steam circuits is operating at present, and even that one is without superheating, thus accounting for the low electrical output.

But the U.K. Atomic Energy Authority—which operates the reactor and will be selling its electricity to the North of Scotland Hydro Board—hopes to commission the other two steam circuits at intervals of about a month, as the leaks are repaired.

The fast reactor differs importantly from commercial reactors operating or under construction to-day, in that the neutrons released in the fission reaction are made to do extra work converting ordinary uranium into plutonium.

£4m. orders for scanner from North America

BY DAVID FISHLOCK, SCIENCE EDITOR

U.S. AND CANADIAN orders totalling over £4m. have been disclosed by EMI for its latest EMI-Scanner, capable of X-raying the entire body and imaging organs such as the heart and liver.

The orders are in addition to sales worth more than £55m. for the first version, which is restricted to X-raying the head.

The ready acceptance of the general-purpose system by North American hospitals was "extremely encouraging," said Dr. John Powell, managing director of the EMI Group. It maintained EMI's position at the forefront of the new X-ray technology.

All 16 hospitals have experience of the brain-scanning version of the technology—known as computerised axial tomography.

Three prototypes of the new body-scanner have been installed—at Northwick Hospital, near London, and in two U.S. medical research centres. The production orders will be fulfilled over the next few months.

Although it pioneered the application of the new medical technology to brain X-ray diagnosis, EMI was not first in the field with a body-scanning technique. In the U.S., for example, it is in competition with the ACTA-Scanner, developed by the National Biomedical Research Foundation, which can present colour pictures of the organs and soft tissues of the body.

The company was confident, however, said Dr. Powell, that the results of clinical trials on the prototypes, and the experience so gained, would confirm that its new general-purpose system could bring benefits "at least equal to those already clearly demonstrated by the brain scanner."

Among the medical conditions for which it is believed the body-scanner may become accepted is early detection of lung disease, some signs of which should be visible long before any are apparent on an ordinary chest X-ray.

Jobless executives may total 80,000 by end of year

BY MICHAEL DIXON

AN EXECUTIVE-unemployment level of at least 80,000 by the end of the year is forecast to-day in the latest issue of the Reward salary survey, based on statistics gathered in June-September by the Government-sponsored Professional and Executive Recruitment agency.

This is 33 per cent. higher than Reward's previous forecast of 60,000, which was made on the basis of statistics collected in February-May.

"Recent moves by the Government to stimulate employment," the survey states, "appear unlikely to have any effect on the qualified and executive (jobs) market.

"Deflationary trends in the economy which are deemed necessary if inflation is to be brought down to the hoped-for single-figure level will, the new figures suggest, inevitably lead to an executive unemployment level of at least 80,000 by the end of the year."

While little change has occurred in the regional pattern of joblessness among managerial-type workers, Reward notes signs that executives in the more prosperous areas of the West Midlands and London have recently been losing their jobs at an accelerated rate.

Nevertheless, the latest figures—drawn from about 45,000 people who registered as job-candidates with the PER agency over the past four months—suggest that executive salaries in general increased by 6 per cent. to 7.5 per cent. over the period.

Another salary survey just published indicates that qualified accountants in industry now have pay averaging £5,000 a year.

According to this survey made by Lloyd Executive Selection and covering British companies as at October 1, management accountants generally have a salary over financial and cost accountants.

Of the samples covered per cent. of the management accountants were being more than £5,000, compared 46 per cent. of the financial accountants and 45 per cent. of the cost accountants.

Brentford Nylons end mail order

By Rhys David

BRENTFORD NYLONS, which built up its business through mail order supply of economically priced household linen, is to withdraw completely from postal sales because of high postal charges.

The company, which has already cut back its mail order department from 250 to 140 workers, is to dismiss the remaining workers and will concentrate on selling household textiles through its chain of shops.

Mr. Avak Kassabian, managing director, said yesterday that postage on a £3 pair of sheets could now be as much as 48p. This meant that the customer after also paying 61p to wrap the goods, had to pay £1 ... to buy through the post.

Government to probe dumping allegations

BY OUR INDUSTRIAL STAFF

THREE NEW investigations into allegations of dumping are to be launched by the Department of Trade.

Complaints have been made that damage is being caused to U.K. industry by certain imports of saccharin, dumper trucks and women's raincoats.

The department, announcing the inquiries last night, rejected allegations made against other imports.

There was no evidence to justify anti-dumping duties on pre-finished plywood originating in Singapore and Taiwan, and ramin dowels and mouldings originating in Singapore and Malaysia, it said.

The complaint about dumper trucks is directed against the Soviet Union, which is accused of supplying vehicles of more than 3.5 tonnes payload at prices which constitute dumping.

A total of 240 trucks, worth £4.88m. were imported in the first six months of this year, 43, worth £242,000, coming from the Soviet Union.

In the case of saccharin originating in Japan and the Republic of Korea, the Department is re-imposing anti-dumping duties with effect from November 1 while an investigation takes place. The duties, imposed in 1965, were subsequently suspended.

The Department said that its investigations into the imports of women's double and single texture rubberised cotton or rayon raincoats from Hong Kong was to be extended to cover the Republic of Korea.

MPs expected to join Lucas contract talks

BY MICHAEL DONNE AND LORELIES OLSLAGER

SEVERAL MIDLANDS MPs—including Mr. Roy Hattersley, Minister of State at the Foreign Office in his capacity as MP for Birmingham, Sparkbrook—are expected to meet trade unions and management of Lucas Aerospace in Birmingham to-day. They will discuss reports that the company has lost the development contract for the Rolls-Royce RB-199 engine for the Anglo-West German-Italian Multi-Role Combat Aircraft.

Neither Lucas Aerospace nor Rolls-Royce (1971) would confirm yesterday that the development contract had been cancelled. Lucas is expected to issue a statement to-day after the meetings.

The view among the trade unions yesterday, however, appeared to be that the contract had either already been cancelled or was about to be stopped on the basis of late delivery by Lucas of early prototype units.

The trade unions argue that any late delivery has been due to modifications sought by Rolls-Royce (1971), on behalf of Turbo-Union, the international consortium responsible for the engine.

The significance in the development contract lies not so much in its direct value, since it covers only enough engine control units for the first nine prototype and pre-production aeroplanes, but in the long-term value of any follow-on production contract Lucas might win.

With the three Governments involved planning to buy over 800 of the twin-engined MRCAs, the order for engine control systems would be substantial.

At present, development work is being undertaken at Marsden Green, where it is thought that more than 300 workers would become redundant if the work stopped. More workers would be affected if the eventual production contract went elsewhere.

It seems likely that any decision to take the development contract away from Lucas has not been simply a Rolls-Royce decision, but has been taken after consultation with the rest of the Turbo-Union members, and with the knowledge of the three Governments concerned.

During to-day's talks, it is expected that MPs and shop stewards will press for production of other electronic equipment at Marsden Green, to replace MRCA work.

Contracts 'to fight race hate'

By Donald Maclean

GOVERNMENT contracts should be used to combat racial discrimination even though it may be difficult to "to devise wholly effective sanctions," the Race Relations Board says in comments on last month's White Paper on Racial Discrimination.

The Board considers that the Government, by adhering to White Paper proposals, would deprive itself of "what is potentially its strongest weapon in the attack on discrimination, and missing the chance to provide employers and trade unions with a real incentive to take precautionary measures against the possibilities of discrimination."

The credibility of enforcement machinery, the Board says, is crucial to the effectiveness of Government contracts as a means of combating discrimination. "We find it remarkable that the Race Relations Commission is given no role at all."

The main policing role, it is maintained, should be given to the Commission, with contracting departments having the ultimate responsibility for determining what action should be taken against a defaulting contractor.

Chemical industry investment down

BY RAY DAFTER

INVESTMENT in the U.K. chemical industry has fallen by about 12 per cent. this year, reflecting the recession in many markets — particularly plastics and fibres — and the general economic recession.

A report on expansion plans to be published to-day, indicates that companies are delaying the completion dates of some projects because of the amount of spare capacity in many of the existing chemical complexes.

This ties in with a report from the European confederation of chemical industry associations (CEFIC) which suggests it could be three years or more before existing capacity is fully used.

Mr. John Townsend, a director of ICI and president of the confederation, said that it was possible that the European chemical industry could see a 5-7 per cent. rise in output next year but this would not be enough to mop up the large amount of spare capacity.

The increased output would still be well below the industry's peak in mid-1974. Since then more capacity had been created, either by the opening of new plants or by removing bottlenecks.

"New plants are being planned and sanctioned, but against the background of rather delayed growth and of considerable administrative and financial difficulties."

The investment survey, to be published in to-day's edition of Chemical Age, shows that the value of chemical investment carried out or completed during the last 12 months in the U.K. totalled £907m.

The survey omits investment in Northern Ireland, but the figure suggests a drop in U.K. spending of about 12 per cent. This means that the industry has returned to its spending position of two years ago.

Of the projects listed, 92 per cent. of the total value is under way—either in the engineering stage or under construction. This compares with 68 per cent. for last year, indicating, says the report, that projects are being delayed and that their completion dates are being put back.

The influence of the North Sea oil and gas development programme on chemical investment is apparent from this latest survey, however. The North East accounts for no less than 46 per cent. of the U.K.'s total investment value.

IN BRIEF

Stonehouse mail read in court

Extracts of four letters alleged to have been written to runaway MP, Mr. John Stonehouse, by his secretary, Mrs. Sheila Buckley, were read to Horseferry Road Magistrates Court yesterday.

The letters were sent to "Donald Muldoon"—one of Mr. Stonehouse's alleged aliases in Australia. Produced by an Australian Fraud Squad officer, they began "My Dear Dums" or "Dearest Dums" and were signed either "S" or "Sheila."

Det. Sgt. Coffey also told of Mr. Stonehouse's arrest after five days of surveillance by Melbourne police. It was on Christmas Eve that he and two other detective sergeants detained Mr. Stonehouse at St. Kilda railway station where he was about to board a train for Melbourne.

Aluminium prices

British Aluminium is to increase the price of its extruded and drawn products by an average of 5 per cent. from October 27, following similar price increases by other leading suppliers.

Haulage question

There was no question of Britain being taken to court over EEC regulations on the road haulage industry, Dr. John Gilbert, Transport Minister, said in Eastbourne.

Car output rises

U.K. car output totalled 119,363 in the five weeks ended September 27 against 93,579 in the comparable period last year, the Industry Department said. Commercial vehicle output totalled 33,997 (37,018). Third Quarter car production totalled 269,735 (306,615) and commercial vehicle output 77,860 (90,033).

Debt licences

Debt collectors, credit reference agencies, debt adjusters and debt counsellors will have to apply in February for licences under the Consumer Credit Act as the first of three categories which will be required to apply for licences over the next 18 months.

Textile pledge

Sir Christopher Soames gave an assurance in York that the EEC Commission was behind the maintenance of a healthy European textile industry.

Brick inquiry

Assurance that the Government would examine the structure of the brick industry, after a Monopolies Commission report at the year end, has been given by Mr. Reginald Freeson, Minister for Housing and Construction.

Mortgage relief

The Government was asked to make a clear, positive statement about future policy on mortgage tax relief by Mr. Basil Eckhard, general manager of the Leicester Building Society. A statement would do much to increase the supply of houses to first-home buyers, he said.

£2m. Kitten

Reception of the Reliant Kitten and the new Scimitar GTE has been so good at the Motor Show that the company will have to reassess its current production plans. Reliant will have to ... orders worth £5m. when the show closes; more than £2m. for ... Kitten.

Rate of return

Department of Trade and Industry analysis of companies' rate of return on capital employed ... cludes that all the various historic cost and book value rates declined through the latter half of the 1950s, and remained flat in 1960s before picking up at beginning of the 1970s.

Coin imports

Imports of gold coins of ... tender amounted to £2.3m. September, while exports came to £12.2m. Over the first ... months of the year there were imports of £31.7m., and exports of £105m. Standard gold bar imports in the nine-month period were £365.7m. and exports £710.6m.

Union 'insiders'

Charges that the Industry Bill as it stands does not take into account the interests of shareholders and that it will make trade union representatives receiving price-sensitive information into "insiders," were laid in the Stock Exchange in a formal statement yesterday.

Local reform

A plea for a genuinely local system of local government made by Professor A. R. Ilersic who holds the chair of Social Studies at Bedford College, London University.

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FINANCIAL TIMES REPORT

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Management and Staff Recruitment

With commercial and industrial activity flagging and unemployment rising steadily month by month, the staff recruitment agencies are finding the going hard. For many, part of the answer to these problems has been to spread their interests by a calculated measure of diversification.

Spreading the net

By Tom Kyte

…n order to survive their …ent business problems …y employment intermedi…s are now finding it …ssary to adjust their own …vities so that they can take the areas where the need new staff is strongest. In …e cases this has led to diver…ation outside the recruit…t field, though it has not …essarily meant any major …eavals within the companies …use there are certain other …s where the techniques … in staff recruitment can … to good effect—i.e., in…rial or commercial services …ven retailing.

…hese are the areas in fact …hich two of the recruitment …ts, Alfred Marks Bureau … Reed Executive, have found …e for their particular …nts. Marks has moved into …ract cleaning and dry…ning while Reed has …ntly concentrated its diver…ation efforts on setting up …hain of self-service drug…es.

…f course, there is still scope … expansion within the re…tment sector. Each of the …e major quoted recruitment …s have expended their …ices over the last few years …ncompass a wide selection … industrial and commercial

…rook Street, which in its …rtisements claims to be the …d's largest employment …cy, currently operates 19 …rate recruitment divisions …g in everything from …etarial and clerical agencies … technical, industrial and retail divisions. For most of the smaller agencies it would of course be impractical for them to contemplate a range of services even half as comprehensive and indeed there are some areas they would be well advised to steer clear of at the moment.

One example, is the industrial field. Alfred Marks, which was one of the first U.K. agencies to explore this field, blames a very large part of its recent first-half profits fall on the downturn in industrial placings and until this sector shows some signs of picking up Marks is restricting its investment in it.

However, in order to survive in the currently troubled economic and industrial climate the staff recruitment firms will have to find new directions in which they can develop their activities. To concentrate for too long on a narrow range of the recruitment field could well mean financial suicide.

Obviously it is not going to be easy for every employment specialist to develop along these lines, but the sector is one which is used to keeping up with the times and it has a long history of development which dates back almost to the *Middle Ages. In those days* the main task of the professional intermediary was to find agricultural staff for the farms, after that the demand switched largely to building workers and industrial workers. As the nation became more developed and paper work became a vital part of its business so the professional intermediary turned his attention to office workers.

In recent years—that is, since World War II—the employment specialists have become identified almost entirely with young female secretaries, and not without reason since it has been the demand for these, both of the permanent and temporary variety, which has kept the profits of many of the leading agencies moving ahead in recent years. However, as almost every business is now feeling the pinch from increased costs so are they beginning to look for ways in which labour costs can be trimmed.

One of the most popular ways at the moment is natural wastage, and that is very often applied to secretaries and shorthand typists. Many bosses feel it is better for one girl to be overworked at the moment than for two girls to be underworked.

Thus, the expansionary steps which many of the agencies are taking at the moment are into new worlds outside that of the young female office worker. Many specialists are finding that the most fruitful journey to take is into the world of the executive. Although it is well known that many executives are now out of work and being forced into dole queues employers are still on the look-out for highly skilled and qualified men such as accountants and engineers, and with so many qualified people now looking for jobs the need for greater selectivity has been increased.

Executive selection therefore seems a growth area despite the current economic climate and agencies have been quick to recognise this. An expansion into this area has of course required some internal changes among the employment firms. An example of this is in the new interviewing systems which they have had to adopt. It would after all be embarassing for out-of-work executives to be interviewed by the young female interviewers who recruit staff for secretarial positions. It is necessary for the agencies to develop a system whereby an applicant for a high-ranking job is interviewed by somebody of at least equivalent rank and similar qualifications.

Reed Executive's operation illustrates this point well. Reed which specialises in accountancy recruitment employs a large number of qualified accountants in very high positions, many at Board level, *among whose responsibilities it* is to interview the applicants for very senior posts with their clients.

This system also allows Reed to assume part of the role of a management consultant. When the employer first approaches them with a vacancy which needs filling, Reed can send a well qualified person along to the company so that he can fully examine the type of job which needs filling and the qualities which the suitable applicant will need most. He can also advise on the type of wage which will be needed to attract the right man and can even advise the company whether there is any need for such a highly qualified person to be placed in the particular job.

Management consultancy of this type can help employers not only to find the most suitable staff but also to make cost savings where possible. There are other functions which a management consultant, in the true sense of that title, can also perform. He can run efficiency checks for employerws, advise where workers are not being properly used and even provide marketing research in some cases.

There are many firms working under the name of management consultants who do not fully fit that role however. Some agencies which are really only intermediaries for executive staff recruitment have also adopted this title, but as it is becoming more obvious that there is perhaps greater scope for the genuine consultants more and more firms are beginning to live up to their titles.

Another function which could be encompassed by the term management consultancy, but is more commonly known as "head-hunting," has also been on the increase in the last couple of years. The more correct and perhaps more distinguished title of this activity is executive search. Once again this is a highly specialised part of the recruitment business which seems able to survive during an uncertain economic phase. This may be largely because the jobs which these specialists deal with often involve a change of country for the successful aplicant.

The idea which originated *in the U.S. is fairly straight*forward. When a firm requires somebody to fill a high-ranking position, usually at board level, they will contact an executive search agency. The agency will survey the entire field of business, often taking in several countries. This may sound like a very arduous task but most often the qualifications required are so high that only a few people in the business world are suitable, and usually these are quite well known.

It would be unwise for any staff recruitment firm to try to specialise in too many areas at once. Indeed it would also be extremely uneconomic because of the high wage costs which would be incurred in trying to employ enough fully qualified people to cope with the different sectors. However, in the highly specialised areas there is always a certain rock hard element of demand. The staff recruitment sector is one which requires a good deal of management expertise and fortunately most of the leading specialists currently operating in the U.K. appear to have this. The "pirates" who once gave the sector a bad name, have now been driven out of business by the Employment Agencies Act which was passed last year.

The sector's strong links with the economy make it a very difficult one in which to maintain a strong growth record for long periods but the recent diversification of some of the leading operators shows just how the industry is now trying to protect itself. Another point *which is particularly relevant to* the growth prospects of the sector is that when industry and commerce start to trim their production and operating costs this often leaves them severely understaffed when activity once again picks up. So, if the financial forecasters are right and the current business climate does start to improve about the middle of next year, then in 12 months' time the recruitment sector could be enjoying one of the biggest upturns in recent years.

The search for executives

THE SEARCH for executives these days is a far more complicated job than it was. This is mainly a reflection of the growing complexities of international industry and finance. Specialist men are required, but unfortunately there never seem to be enough to go round: so the hunt for "the right" man is on. However, the "right man" is unlikely to be found under the old school tie act, or over a drink with a few acquaintances in the golf club bar who might know someone. No indeed, finding the right man for the right job nowadays can be a costly and time-consuming business.

Recruitment of executives therefore is becoming big business. Though a great many top positions are filled by promotion throughout the company—leastways in a well-run company—and a very large slice is filled by advertising, there is a growing demand for specialist services such as those offered by the registers, selection consultants and by executive search or "head hunters" as they are often referred to.

The register system is not really aimed at finding senior staff, but geared to find middle management or possibly young men and women of potential for top-class jobs later in their careers. The idea was imported from the U.S. (as so many of our management techniques have been) in 1963 by Cornmarket Press, which decided to run a register alongside its Directory of Opportunities for Qualified Men.

Basically the concept is that job seekers answer the register company's advertisement and allow their names to be added to the register along with qualifications and other relevant material that would-be employers would wish to know. Companies then pay an access fee to the register company which supplies them with the list of all relevant persons on the register seeking employment of that particular nature.

This has the benefit to the company that it has quick access to likely candidates, although of course the one they choose may not in the event be the best man for the job. It is handy for the candidates because in theory all they have to do is sit back and wait for companies to contact them. But of course this form of executive recruitment is unlikely to be used by senior men who are probably most unwilling to have their credentials bandied around a large number of companies.

Selection consultants go a long way to take the spade work out of executive recruitment. They offer to arrange virtually everything and offer the employer a short list of likely candidates from which he will interview and select an applicant, assuming he can find the sort of candidate he is looking for.

Briefing

The consultant will first get a complete briefing on the position to be filled, select the advertising media, and screen all applicants from which the short list is arranged, after interviews. Furthermore, comprehensive details are forwarded to the employer on the members of the short list and the consultant may also offer his services in the selection of the successful applicant. The cost of this service varies from consultant to consultant but something in the region of a fifth of the starting salary is a fair norm. However, the fee is normally charged whether the client finds an applicant or not, but most consultants can claim a high rate of success.

Executive searches or "head hunting," is perhaps the most up-market of the services offered, and is really aimed at finding the best man wherever he is for the vacancy. Understandably therefore this service is aimed at absolute top executives, who may be unwilling to scan through advertisement pages, which because of their specialist skills may only feature a likely appointment once in a blue moon. Also because the executive needed may not even be in the U.K. there is the problem of where to advertise.

Executive recruitment of this type was developed in the U.S. shortly after the war as Lynn A. Brua, managing director of Heidrick and Struggles, one of the well-known executive recruitment services in the States, described in his paper on the development of this service.

In the late forties and early fifties a dozen or so small firms started to provide this style of service in America within the framework of acting as general management consultants. From this basis the idea snowballed into the size it is to-day where it is quite common for an American President to use the services of such executive searches to find suitable aides and staff. The first American firm, Lynn Brua goes on to relate, came to Europe about 1960 and it is the Americans who still seem to dominate the field.

Common

The way in which the head hunters go about their business is fairly common to all, so a look at the service as described by Peter Lewis, a director of Eurosurvey, would apply to the sector in general.

The first thing, and its importance should not be overlooked, is to enter into discussion with the client to find out as much as possible about the appointment, and in this aspect the consultant can often advise on job scope, structure and remuneration.

It is also important to know the way in which the company intends to expand, the corporate thinking and such like, so that the full facts can be put before any likely candidate. An impression of the client company is vital.

Having identified the job the next move is to identify where potential candidates might be working or living. To find the right man the consultancy uses not only considerable personal contacts built up over the period, but also its own documentary research from which it can identify all of the people in the Western world employed in a certain occupation. This of course does underline the fact that this service is for the top men only.

From then on the consultancy approaches appropriate men either by telephone or letter depending on the customs of that particular country. If the executive shows any interest he is presented with documentary information on the post and company, and if he is still interested a confidential meeting is arranged with the consultant. From this lengthy process a short list of say three men is presented to the client who will select the candidate of his choice.

The cost of this service varies, depending on not only the consultant but also the task undertaken, but a rule of thumb is probably something like a fifth or a quarter of the starting salary.

There are, of course, the clalised executive recruite services such as those of by Resources Engineering Management International. ing to Michael Wood of I it is obvious that any rece in the industrial side of tra being easily replaced by th creasing demand for engi conversant with the oil allied industries. In fa per cent of business is oil industry clients, agai more normal level of 50 cent., while the old lev about 50:50 U.K., and ove is swinging quite perceptib wards overseas business.

Head hunters in genera obviously capturing some market formerly enjoyed b selection consultants (usin vertising). Though methods (approaching peo ready in employment someone-else) has come some hefty criticism, these have thrived on their abi place the right man in the job, who has generally p successful. So, it is this r tion for attracting the righ that must, as their repu spreads often by way of m make for more and more ness coming their way.

Terry Ga

Scope for specialisation

TOWARDS THE end of 1973 the staff recruitment industry was riding high on the tail end of a boom in the jobs market that had been under way for nearly two years. To-day, just 24 months later, the jobs agencies are once more beginning to make hopeful noises about their future—having come through one of the steepest slumps in business since the war. On a crude basis, demand for staff recruitment services of all forms probably fell 30 per cent. in 1974 and turnover for 1975 is likely to emerge lower by a similar percentage.

Not that the ups and downs of the business cycle are a new experience for the jobs industry, though over the past decade the number of actual downs has been limited to two. By their very nature staff recruitment companies are something of an economic barometer and as such they feel the impact of economic recession quickly.

The industrial recession in the U.K. may still be deepening but the jobs companies can now list a number of influences running in their favour. Among them wage controls figure prominently: so does the elimination of competition with weak firms going to the wall, providing the survivors with greater market share. And high unemployment — although by itself a reflection of a shrinking market in jobs—can at certain levels become an asset. Finally, there is the growing tendency for staff recruitment groups to specialise.

Specialisation in the jobs industry comes in a variety of guises. There are companies which concentrate on one particular type of employment. There are companies which offer staff recruitment facilities within a framework that leans more towards management consultancy. There are specialist groups operating in a number of professional areas. There are the agencies—and this applies to the bulk of the industry—that run specialist divisions as an adjunct to their overall jobs service.

Compared to the high-volume low-margin economics of staff recruitment in its overall sense, the more specialised end of the business is clearly less cut-throat. It does not reach the cyclical peaks in time of economic boom but by the same token appears not to share in the worst excesses of the troughs. At least that is the theory, and clearly there are plenty of anti-cyclical voices to be found among the jobs companies.

Geared

Accountancy Personnel, with some three-quarters of its business geared to the accountancy profession, has managed to keep its 1975 turnover running at around last year's levels (say £4m. a year) which allowing for price inflation does mean some actual decline in volume. PA Management Consultants—situated at the upper end of the jobs business, offering recruitment services to clients within its consultancy—reckons that if its business has taken a knock over the past couple of years the squeeze has been far less severe than that experienced by the industry in general.

PA has been in the jobs business for nearly two decades having set up its recruitment operations in 1956, a dozen or so years after the consultancy itself was formed. The group concentrates on filling management vacancies at a level where starting salaries rarely fall below £6,000 a year and where—surprisingly often—they will top four times that figure. PA's jobs operations are based on advertising formulae: the company carries out a certain amount of search work (head-hunting) in the U.S. but primarily its business approach relies on the printed media.

Over 90 per cent. of the jobs placement industry in this country relies on advertising as a means of communicating with prospective clients, both employee and employer. And the industry is fairly heavily concentrated. Roughly 50 per cent. of the overall market in the U.K. is spread between the top six or seven agencies, groups like Brook Street Bureau, Alfred Marks, Reed Executive, St. Paul's and Accountancy Personnel. The alternative approach to staff recruitment communication is the search method. Better known as head-hunting, this direct method of contacting and assessing potential employees is confined to a handful of small, highly specialised companies like Resources Engineering and Management International (REMI) and Eurosurvey.

Reed Executive is fairly typical of the major High Street agency, and around 15 per cent. or 20 per cent. of its business falls into the specialist category. The company started from a single office in Hounslow in 1960 and to-day has a chain of 120 branches. The bulk of the company's specialist operations are in the accountancy field but in recent years these activities have been broadened to take in what the company terms "middle-of-the-road management personnel."

The mechanics of Reed's business are in line with the general approach of the industry as a whole. The group takes a percentage of the applicant's starting salary beginning with a retaining 3 per cent. On this Reed then sets its advertising wheels in motion and eventually comes up with a short list of candidates, usually four persons, at which stage it accepts an additional 9 per cent. On final selection a further 3 per cent. is payable by the hiring company giving Reed an overall fee of 15 per cent.

Competitive

Accountancy Personnel reckons its charges are among the most competitive in the industry since its commission structure is based on up to a tenth of an applicant's starting salary: while with its temporary business—mostly fringe accountancy personnel like book-keepers and clerks—it charges a standard 45p per hour. AP was formed just seven years ago and now works from 11 offices spread around the country. Six are in the Greater London area with the others in Birmingham, Manchester, Leeds, Leicester and—the most recent opening—in Cardiff.

AP is a private company whereas groups like Reed, Brook Street and Marks are publicly owned. Some other agencies are controlled by public companies—Lex Service Group, for example, owns the St. Pauls agency while E acquired the SOS Grou £3¼m. cash in 1973. Shortly SOS passed to its present it formed an industrial di in order to make perm shop floor placements, an the first agency to mov this field. In doing so across traditional forms o floor employment, which is still largely based arou Labour Exchange. Of overall business around cent. would fall into specialist category.

Some job groups special a more international basi instance, REMI, with its stake in the world of oil, most of its jobs in are Nigeria, Algeria and Arabian Gulf. The group's hunting approach to recruitment is a direct s from its working base; papers and the adve media are often inacces highly skilled workers flung parts. The group over in staff numbers modest but its skills are and, predictably, so a charges at between a fif a quarter of a starting s

Jeffrey B

Lean times for advertising

With industry finding traditional methods of labour recruitment increasingly outdated and inadequate more and more use has been made of recruitment advertising. Indeed over the past decade this media has without doubt been the key growth sector of the advertising world. Having said this, the experiences in the last quarter of 1974 and those so far in the current year would tend to suggest that the bonanza is over.

The publication, later this year of a new monograph on recruitment advertising by the Advertising Association may give some idea as to the future of the idustry, but in the meantime the speculation remains pessimistic.

On the back of the recession in the U.K. recruitment advertising fell by some 14 per cent. in the last quarter of 1974 while the shortfall this year is expected to top 25 per cent. and could well be as high as 50 per cent. Such has been the shakeout in the industry that a number of agencies have made sweeping cuts in their labour force while a number have actually gone out of business.

One of the majors in the sector, Leo Burnett, recently cut its staff by some 20 per cent. Earlier in the year one of its larger clients, the giant Ford Motor company severely slashed its advertising expenditure. Charles Barker has been less drastic and has avoided redundancies by gearing business to the market cycle.

The fact that a number of agencies have fallen by the wayside probably stems from the rather belated move into the recruitment advertising field. From a consumer-orientated base the agencies recognised the potential of staff recruitment and set up specialist departments. But by the end of last year only about 40 per cent. of recruitment advertising was handled by agencies. Moreover, only a few had become firmly established before the current shakeup.

It was not until the 1960s that the management consultants moved into the field of recruitment advertising. They used to place advertising with the agencies but found that they were unable to provide the detailed media response that was required by their clients. What is more, as consultants they found that they were preparing the copy, so it became a natural progression into advertising.

Both the agencies and the consultants rely heavily on the newspapers for job advertising. Press recruitment advertising jumped from £50m. in 1972 to £105m. in 1973 (at which point it was more important than television advertising) but in the current year the figure could well drop to about £75m.

Most of the newspapers encourage recruitment advertising through the use of specialist

CONTINUED ON NEXT PAGE

Government job agencies

BRINGING IN revenue is the ...ntral thing. It's what you are ...l about. Think of yourselves ... business managers. You've ...t to continue to market your ...erations in every way. Our ...hole organisation has just got ... go on getting more pro...ssional!"

The speaker, a tall, slim man ... his shirtsleeves, stopped ...odding at the turnover graph ...hind him, and swung round ... look firmly at the audience, ...ostly of sharply dressed men. ...ey nodded with enthusiasm. ...ling out of the conference ...om later, they already looked ...ore professional than they had ...hen they filed in. To an ex...rienced observer, the ...mosphere was typical of the ...max of the polished com...ercial sales conference, when ...e chief executive personally ...llies his troops.

But this occasion was dif...ent. Every person in the room ...s in reality a civil servant ...ending the 1975 managers' ...eting of Professional and ...ecutive Recruitment, a sub...liary of the Government-spon...red Employment Service ...ency. The speaker was Ken ...oper, the ESA's chief execu...e, who although he notionally ...wed out of the Department ... Employment to take this job, ...ll remains tethered to govern...nt through the Manpower ...rvices Commission.

...At the meeting, which I ...ited in March, Mr. Cooper ...pressed his commercialism ...re sharply than usual. "Bringing in revenue" may well be the "central thing" to the managers of his PER subsidiary—a revitalised form of the old Professional and Executive Register—which is the only branch of the Employment Service Agency that charges fees for its work. The same central thing would be utterly inappropriate to the main body of 800 to 900 local centres dealing with jobs and workers of less than managerial rank. But even in these, the old near-to-moribund labour exchanges whose resurrection as "jobcentres" is Ken Cooper's major concern, the yardsticks with which the local managements are prodded are now of a distinctly commercial kind—improving market shares, and stepping up ratios of "vacancies filled" to "vacancies notified."

Regime

This new regime, while it may not suit those of the ESA's 14,000 staff who remain convinced that the service should properly be run as a sort of occupational hospital, certainly sems in line with government's main aim when it let the State's jobs-market dealings out on a longish leash from the Department of Employment around three years ago. The aim then was that the new agency should increase the efficiency of the nation's labour market by cutting down the time spent by people between jobs, and jobs between people.

In thecountry's present climate, the idea that the agency could make a major contribution to our economic effectiveness, seems like bleary-eyed idealism. But my own observations suggest that although the ESA's possibilities have been dwarfed by events, it is nevertheless progressing in the way that was intended.

Take for example its record over the first six months of this year. The number of vacancies notified to the agency—which is currently costing the taxpayer some £80m. a year—was up by roughly 5 per cent. and the number filled by about 4 per cent., as compared with the corresponding period of 1971 when the market was declining but considerably less steeply than it is now.

Part of this improved record is no doubt due to the development of the job centres, of which more than 100 are already open with almost as many more scheduled for opening before next summer. These offices, set up in popular streets and catering for employed people who want to browse through other jobs currently on offer as well as for the unemployed and anxious seeker, vary in the quality of their service and staff. But the statistics indicate that they are altogether a better jobs-marketing mechanism than the old style "labours." Studies of the job centres have shown them filling 40 per cent. more vacancies than did the exchanges they replaced; attracting goodly numbers of passers-by whose last thought when they had set out for their town centre earlier in the day had been to look for a new job; and being recommended to nearly a third of their clientele by previously impressed customers.

Compared with the old exchanges, which in many ways deserved their image as the last drab hope before the workhouse, a job-centre can even be a cheering experience for the newly unemployed. The displays of specifications are instant evidence that even no—when the annual rate of job-changes is down from an average of 9m. to about 7.5m. —the situation is a fair way short of famine. About 150,000 vacancies a month are still being notified to the Employment Service Agency, and about 100,000 a month being filled through it.

Livelier

The 700-staff Professional and Executive Recruitment branch, while also a distinctly livelier creature than its predecessor, has a lesser statistical record than the non-managerial trunk of the agency. In spite of the branch's taxpayer-subsidised undercutting of private enterprise management recruiters (and although it will earn around £2m. in fees during the current financial year, the target date by which its non-social-service activities are supposed to be self-financing appears to have been postponed from mid-1976 to a year later), the PER branch has captured no more than 5 per cent. of its particular market and is filling only about one in every five of the jobs which employers refer to it.

This is not the only indication that the message which Mr. Cooper drove into the ears of the branch's area managers in March has not yet emerged in the actions of all its operating staff. The last three company personnel managers I talked to all lacked confidence in PER's through-to-shortlist selection services, their broad complaint being that the tenor of its operations was still ill-tuned to the pressing wants of business concerns.

The most obvious conclusion is that, even though the PER managers I met in the spring were undeniably businesslike, the ESA is finding it more difficult than was hoped to get its staff as a whole to adopt the marketing approach. For one thing, the civil service unions' closed shop attitude is doubtless virtually preventing the agency from recruiting experienced people from outside the civil service, and officials reared in the tradition that the customer is probably wrong (and quite possibly trying to cheat) are by no means readily convertible into engaging sales persons. For a second thing, the other less-solidly-bureaucratic activities springing from the Department of Employment are no doubt attracting many of the more market-minded officials who might otherwise have joined and/or stayed in the ESA.

But while a close look can detect evidence that staffing problems like these are delaying progress, it can detect none that the ESA is likely to abandon its businesslike intentions and sink back into being an occupational hospital.

This is not to say that the social-service aspects of its responsibilities are being forgotten. Far from it. The occupational guidance service, advisory and counselling activities aimed at helping the customers to find suitable training in marketing himself to prospective employers and for the various sorts of skilled work, industrial rehabilitation, and so on are all continuing and marked as areas for further development. Even so, the agency seems to consider that the only proper base for their development is the mainstream activity of capturing an increasing and steadily better satisfied share of the normal jobs market, especially in the non-manual fields of work. And the present recession seems to be working in ESA's favour: its overall market share seems to have risen in recent months from about 18 to 20 per cent.

So it could well be that when the market recovers—perhaps passing over a "seasonally adjusted" unemployment peak of 1.5m. next winter and settling down in 1977 at a steady 750,000 —the agency will emerge considerably better placed to make the economic contribution originally intended of it.

Michael Dixon

'Temps' provide a cushion

THE USE of temporary workers is one of the most controversial areas in the whole staff recruitment sector—and also one of the most little understood. For a start, there is no accurate figure of the number of "temps." In the evidence of the Federation of Personnel Services to the Employment and Services sub-committee of the Expenditure Committee in December 1972, it was estimated that out of a national female clerical workforce of some 2.2m. there were no more than 60,000 "temps" at the height of the season. The evidence added that this might well be an overstatement—and the figure is certainly very much lower outside the peak period of July to mid-September. "Temps" probably only account for a maximum of two per cent. of the total number of office workers (both male and female) even at the time of peak demand.

The main misconceptions concern the reasons why companies use "temps" and also the nature of the workers involved. On the first point it is clear that "temps" in effect act as a cushion at the margin of the labour market. Thus the first and most obvious use of them is to provide holiday relief—and according to one survey, half the "temps" are booked by employers for this reason. The main use is during the high summer period mentioned above but the lengthening and increasing frequency of holidays have boosted demand, particularly during January and February, as more people now take winter holidays.

"Temps" are also used when permanent staff are away sick, again principally in the winter. They are hired as well to fill vacant positions until the time when permanent staff can be found. This factor obviously has a varying importance depending on the state of the labour market and was particularly noticeable during the labour shortages of 1973. The main agencies also argue that there is a considerable underlying shortage of office staff in London; and anyway, that in order to achieve a more productive use of available staff the pool of temporary office workers would have to be increased to around the 100,000 level.

Seasonal

"Temps" can also be seen as an alternative to permanent staff when the flow of work fluctuates for some reason—for example, where there are important seasonal influences. This policy is more usual on the Continent than in the U.K. but more companies here are using "temps" for short periods of especially hectic activity such as stocktaking or when changing over to a new system of working.

The use of "temps" varies considerably from sector to sector—and includes the whole range of private business as well as central and local administration,as the protests over the last two years by the National and Local Government Officers Association indicates. But certain large organisations, such as clearing banks, generally have a sufficient pool of staff internally to meet any shortages in certain branches or departments by moving people around.

Much of the controversy over the use of "temps" has involved criticisms by employers about the quality and nature of the staff provided by the agency—or more correctly, temporary staff contractor. Much of the debate is inevitably subjective with varying claims about the adequacy of the pre-selection process and the agencies' awareness of the abilities of the staff, or the particular needs of the client organisations. But unfortunate experiences in some cases have undoubtedly soured many employers' views about agencies.

Interestingly, the widespread criticism that many "temps" are idle young "dolly-birds" has been, at least partially, laid to rest in a survey carried out by the Federation of Personnel Services, the agencies' trade association, which showed that one in three "temps" were between 30 and 50 years old. Moreover the average age of a "temp" was 30 and she was normally married with school age children and skilled at her job. About 84 per cent. of "temps" cannot anyway accept permanent work for a variety of reasons.

The Prices and Incomes Board report of 1968 showed a very similar result with only 19 per cent of "temps" available for permanent work—the reasons for preferring temporary employment varying from domestic commitments, the imminence of a move abroad, to a liking for varied routines. According to the PIB survey, only 2 per cent. said they worked as "temps" for salary reasons though, of course, this factor may have tipped the balance in other cases.

While "temps" are traditionally associated with the office market, an important development over the last few years has been the expansion into the industrial labour field. Certain of the leading agencies have set up industrial divisions to provide a similar sort of service offered to employers—namely filling in gaps caused by holidays or sickness, reinforcing permanent staff during periods of peak activity or undertaking special tasks.

Skills

At one end of the scale, the agency will provide unskilled labour to clean up a factory during holidays or to work in a warehouse during the pre-Christmas period. The agencies can also provide skilled and semi-skilled workers in various categories — for example, machine operators and heavy goods drivers. This end of the market merges into the specialist area of highly skilled and professional staff placement.

The expansion into the industrial market raises the sensitive issue of the relations with trades unions. They have in general been extremely critical of the agencies, and the TUC has strongly pressed for a strengthening of the proposed regulations under the Employment Agencies Act. The recent TUC Congress again called upon the Government to outlaw "bogus self-employment" and the supply of "lump-labour" by free-charging agencies. The issue is, of course, partly bound up with the controversial question of the lump in the building trade.

In general the trade unions have argued that Government's proposals for the registration of agencies, which has been welcomed by sector's leaders, represent in the words of Mr. R. J. Hardies of TASS, "nearer caress than karate chop." The unions' basic argument has been that fee-charging agencies are inflationary, increase labour costs and undermine good labour relations. They dislike the use of "temps" because they do not join unions, and moreover the unions feel that the fees paid to an agency should be used to hire more permanent staff.

The Federation of Personnel Services issued a detailed 15,000-word reply to the agencies' critics earlier this year. This argued that four out of ten permanent office staff get their jobs through agencies and that the provision of "temps" fulfills an important social and economic service by enabling married women to return to work for short periods for companies which cannot carry the necessary surplus of labour throughout the year.

The agencies' general views have received recognition in the Employment Agencies Act, and the still-to-be-introduced regulations, which, it is hoped, will tidy up the previous haphazard supervision.

However, the agencies are more immediately concerned with the difficult trading conditions facing them as a result of the recession. As the statements from the three leading quoted groups—Brook Street Bureau, Alfred Marks and Reed Executive—have shown during the last week, the "temp" side has been hit particularly hard. Alfred Marks, for example, referred to reduced demand for temporary office staff and the impact of adverse economic conditions on the development and profitability of the Industrial Labour Services division, which made good profits contributions in 1973 and the first half of 1974. And few expect the "temps" market generally to show much improvement over the next 12 months at least.

Peter Riddell

Advertising CONTINUED FROM PREVIOUS PAGE

jobs columns. Here the aim is to highlight the current state of any particular position, the availability of staff, and a possible salary scale.

More recently greater use has, however, been made of television and commercial radio. But Charles Barker, who was the first to make use of the radio regards these more as supplementary to the newspapers. The general objection to television is that time is expensive and much of it is needed for the presentation of job particulars. Such problems as difficulties in absorbing particulars are also to be taken into consideration. The mass recruitment campaigns such as the armed forces and, until recently, Fords, are well suited by the television but even they normally run in conjunction with advertising placed in newspapers.

Clearly the techniques in recruitment advertising have changed drastically over the past few years. The agencies have used their creative skills, developed in the product management field, while the consultants have provided a combination of personnel material and advertising skills. As such styles tend to follow different patterns with the consultants concentrating on "panel" advertisements with the agencies being more dominant in the glossy mass recruitment campaigns.

The agencies set out to solve the various recruitment problems of their clients. Discussions would take place to determine what positions needed to be filled and what specifications were required. The creative talents then come into play, with much thought going into the content and layout of the particular advertisement. After all, advertisements often have to stand out on a page crowded with competition.

The selection of management is another of the agency services but this tends to be isolated from the actual recruitment advertising.

The response to the advertisement is clearly the be all and end all, and as such much analysis is carried out in this area. Charles Barker Recruitment uses a computer to analyse the response to the advertisements it has placed for clients. Of course it is dependent on a certain feedback from the clients, such as the number of applicants received, those included in the short list along with particulars of those employed. This gives the agency clear indications as to what the best forms of advertising media are for any particular job while it also serves as a test to certain styles of advertising.

The consultants tend not to show the same degree of specialisation as the agencies but they still have played a useful part in creating a better informed labour market.

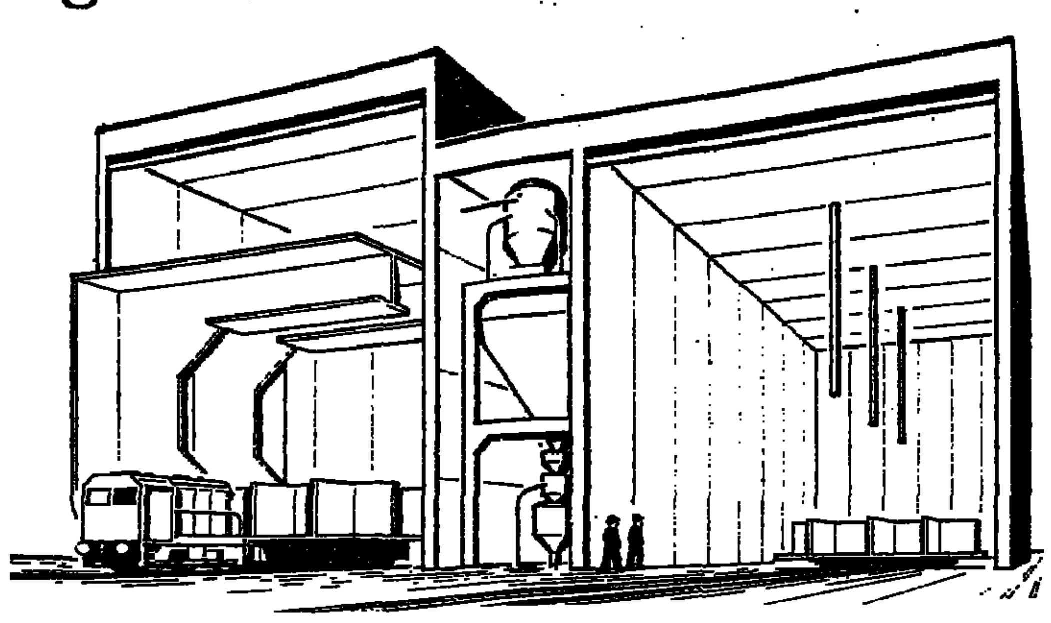
It must be hoped that this trend continues but the current drop in advertising volume is bound to leave some scars. Already some recruitment departments have been absorbed within their agencies and with unemployment continuing to rise, further drastic reduction could be seen. In the long term this could be to the advantage of the majors such as Austin Knight and Charles Barker but in the meantime they must feed on the geographical pockets that remain.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● METALWORKING

Blasting process will clean big metal sections



This artist's impression gives an idea of the size of the "blast halls" in Amsterdam in which very large sections of prefabricated ships are to be treated by Vacu-Blast's latest metal cleaning process.

THE CONSTRUCTION of ships in pre-fabricated sections—or blocks as they are frequently termed—has made it necessary to develop new and faster techniques for treating the fabricated sections before they are painted.

Vacu-Blast a member of the Allied Polymer Group, has been studying the problem for some time and the first major order believed to be worth about £250,000 for a completely new style blasting and grit recovery system, has just been won from Wits Amsterdam B.V.

This paint contracting company—a subsidiary of Wits United—is installing the Vacu-Blast system in two specially designed blasting halls in Amsterdam provided by the Netherland Dock and Shipbuilding Company of Amsterdam (NDSM).

The two large blasting halls are designed to meet the stringent air pollution regulations in force in the Netherlands. One of the halls is 19 metres wide by 25 metres long and 15 metres high, and the other is 15 metres wide, 30 metres long and 10 metres high.

The completed ship blocks will *enter the halls on specially built* bogies capable of accepting loads of some 150 tons. Four blast operators, working independently, will then blast-clean the blocks inside and out, using two continuously cycling pressure blasters.

After the blasting sequence, the several tons of spent abrasive found both inside the blocks and on the floor of the halls, will be pneumatically conveyed by a number of hand-held vacuum units to several collecting points. These, *in turn*, are connected to three Vacu-Veyor machines designed to lift the abrasive at a rate of 5 tons per hour each, clean the material and route it back to a large silo ready for re-use.

The whole Vacu-Blast block cleaning system is controlled from a central console equipped with a monitoring panel which shows if the operators are blasting or recovering abrasive.

The complete system will be designed, manufactured and delivered by December. In addition to the extensive amount of Vacu-Blast equipment, the related dust collection and ventilation plant will be supplied by Promotec Benelux of Papendrecht, the Vacu-Blast distributor for the Netherlands.

Punch and die tools redesigned

BY REDESIGNING the structure of the conventional punch and die unit tool, Parhurst Engineering has produced a simpler, lighter, cheaper form of unit tooling for the sheet metal production industries.

The new Parhurst tool is part of a projected range which comprises, in addition to the C Frame units, a throatless unit, notchers, stops, templates, tee nut and washer assemblies and tube piercing equipment for square and round tube.

The most significant difference between the Parhurst tool and others currently manufactured is that the die is designed to transmit the imposed load direct to the machine bed. The advantage of this modification lies in the fact that if the die is broken, by overstroking the press or for any other reason, the C Frame itself is not damaged.

Parhurst C Frames are designed to accept either round or shaped punches and dies and are offered in two alternative die and shut heights. The lesser of the two die and shut height models is equipped with a button die to a height of 2¾ inches with a shut height of 7¾ inches.

These dimensions correspond with all other unit tooling types currently available so that the Parhurst tool can be integrated with any existing set-up. The pedestal die of the alternative model gives a die height of 3¼ inches and a shut height of 8¾ inches and both die types are fully interchangeable.

The dies are positively aligned on a pin and keyway and the punches are aligned by a retaining pin to prevent radial movement in either component. This avoids the need for alignment by a skilled setter and prevents any slipping of the punch or die during use.

Because the dies are not encased by the C Frame casting, the tools will punch angles, channels, sections and extrusions, as well as flat sheet.

Parhurst is at Strangers Lane, Tingewick, Bucks.

● SAFETY & SECURITY

Glass resists blast and bullets

THE FIRST British company to be awarded the British Standard Institute's kite mark for bullet-resistant glass is Tudor Safety Glass Company, a division of Doulton Glass Industries, now producing Royal Doulton Vinylex glass to *specific requirements* for security situations all over the world.

The glass has been tested in various parts of the world but because of security reasons it is not possible to release details of the locations. It has, however, been extensively used for screening VIPs and valuables in Britain, Europe and the Middle East.

The British Standard (BS5051) is probably the world's most *stringent requirement for* bullet-resistant glass. This means that the Royal Doulton Vinylex must be amongst the most effective of its type anywhere. In tests it has been found to withstand, for instance, three shots from a 9 mm hand gun from a range of 3 metres. It also will withstand three bullets fired from a 7.62 mm NATO rifle from a range of 10 metres.

BS5051 was issued as recently as 1973. This clearly defines the requirements necessary for bullet-resistant glazing materials. The range, number and pattern of strikes are strictly specified. As well as full protection from the projectile, the standard lays down that the glass should protect personnel against injury from splinters that might be ejected from the rear surface when the glazing is attacked. Before passing all the tests the samples have to be exposed to the weather for a minimum of six months to ensure that there is no deterioration.

Tudor was the first company to submit samples of bullet resistant glass that has come up to the exacting requirements of the four categories specified by the BSI. These glasses comprise various laminates of glass thicknesses permanently bonded together with reinforcing layers of tough polyvinyl butyral. A laminated glass combines the security advantages of plastics with the non-abrasive properties of monolithic glass, and it has the normal clear and undistorted vision which enables people to carry out their normal daily routines secure in the knowledge that they are fully protected.

Provided the glazing meets certain standards experience has shown too that, as well as resistance to bullets, Vinylex bullet resistant and security glasses withstand explosion blasts. Laminated glass has a superior performance than any other glass of equivalent thickness in an explosion. The polyvinyl butyral interlayer absorbs the blast by flexing but the adhesion between it and the glass is such that the laminated glass will not shatter into those jagged slivers which are the cause of so many casualties in bombing situations.

The exact composition of the multi-laminate construction depends on the type and power of the weapon against which protection is sought. Special Royal Doulton Vinylex bullet-resistant glass can be supplied to protect against specified firearms and ammunition.

More detailed information on any aspect of bullet resistant glass, its characteristics and applications may be obtained from the manufacturer against *specific bona fide inquiries* in writing. Tudor is at Queenborough, Kent ME11 5BB. (079 566 1161).

Shrapnel cut to a minimum

BOMB SUPPRESSION blankets tested by the Netherlands Defence Research Organisation (Technologisch Laboratorium RVO-TNO) under number 9642, will reduce the fragments from expedient (home made) amateur bombs and are available in the U.K. from security specialists, Volumatic of Coventry.

The introduction of this blanket follows two years of research by Volumatic and its Dutch agents, Nierstrasz NV of Amsterdam. A series of experimental tests by the Netherlands Defence Research Organisation has been undertaken and results incorporated in the final design.

Intended primarily for amateur bombs, the Volumatic blanket, used in combination with a special support, has shown in tests with pipe bombs up to 38 mm. (with a metal thickness of 3.3 mm.), that it will retain 80 per cent. of the fragments from such types of bombs.

Designed to reduce a bomb's effect should it explode before a bomb disposal squad arrives, the blanket is made from a large number of nylon layers with an integral fire proof covering. It has a 16 square feet (1.5 square metres) coverage and at 16 lbs (7 kilos) is light enough to be carried by one man in the plastic case provided, the handles of which also allow the blanket to be hung in the case ready for use at an emergency or alarm point in a building. The case, which is transparent, has a self sealing opening from which the blanket is released.

The blanket is placed in position over the suspect object by two men using the top-mounted carrying tapes. A specially designed support, with a cut-out to accommodate projections, is placed around the "bomb" first to keep the blanket clear of disturbance devices which could be attached.

The support serves a dual purpose in that it aids the direction of the force of the blast upwards in the event of an explosion and creates a pocket of air around *the bomb when* the blanket is in place, which, tests have shown, has a significant reducing penetrating-effect on the bomb fragments. A gas port 2 inches (5 cms) in diameter is incorporated into the top of the blanket to release the explosion upwards.

A further feature are webbing loops — designed after a suggestion of the Netherlands Bombs Disposal Force — which project upwards when the blanket is *in position to assist* the easy and safe withdrawal of the blanket by disposal experts, using for example, a remotely controlled robot lifting device. In addition, the blanket incorporates a nylon lanyard 25 feet (7.6 metres) in length which enables it to be peeled off the bomb from a safe distance and from behind cover.

Volumatic claims the blanket is suitable for buildings likely to be chosen for bomb threats, for example offices, cinemas, theatres and other places of entertainment, airports and bus and train terminals, local authority buildings and sports grounds.

The company is at Taurus House, Kingfield Road, Coventry. Coventry 84217.

Lock puts a challenge to burglars

"BRAVE" is the only word that can be applied to the claim by Emhart that its new lock is unpickable.

The lock cylinder has so resisted extensive attempts in U.S. by experts (police, l smiths and even its inventor pick it.

No lock, except the timed l lock, can really be called proof, but the developmen pin tumbler lock cylinders Emhart promises to give bur a tough challenge. It is ti since the latter's business been growing at an unp dented 20 per cent. a year.

Critical feature of the loc the interlocking of the tumblers in the cylinder. T must not only be properly r but also rotated to the co angle before the lock will c These functions — raising pins and turning them — accomplished by a special that has angular cuts to it ins of the conventional notches.

In a conventional cylinder pins are in two sections relatively easy to manipulat an open position with pic tools. The new design inter ing the pins into one together with the chisel-poi the pin, makes it virtually in sible to use these pic techniques.

The new unit has millior different key and tumbler figurations and master-k potential for the largest systems known.

Outside experts who picked every existing cyl lock have been unable to d cate both the action requir open an Emhart cylinder an keys, without having the co one to copy.

Information from Em European Consulting Servic VSB, Postbus 13, Apeld Holland.

● WATCHMAKING

Towards the throw-away watch

U.S. WATCH giant Timex, which in the 50s shook up the wrist watch industry with international manufacture of low priced pin-levered models and is now the world's largest watchmaker, may be preparing for a second assault via the electronic digital concept.

According to sources in Japan, it has decided to make its own CMOS large scale integrated circuits for watches at its TMX Taiwan plant. Up to now it has bought in supplies from RCA.

The sources laso indicate that mass selling in Japan of Timex digital electronic watches will start next year.

Timex offices in London and Lausanne have refused to confirm or deny the reports and have also declined to indicate the implications, if any, for the Dundee plant or whether the solid state digital watches will appear—as seems likely—in U.K. shops at the same time as in Japan.

Other recent moves indicate the momentum now gathering in the electronic watch field. Hughes has sold knowhow to Ebauches, biggest Swiss movement-maker, and is to supply a Longines subsidiary with modules. LIP, the leading French watchmaking concern, has signed up with National Semiconductor to sell the latter's Novus watches in France, thus getting over one of the knottier problems for the semiconductor makers trying to get into the market—that of distribution.

In the U.K. Sinclair has just announced its long awaited watch based on an ITT "I-squared L" chip, a newer type which, it is claimed, can be produced more cheaply but which National has *decided to stop developing*. The Sinclair units have LED display —against what will now almost certainly be the long term trend —the liquid crystal with its near-zero current consumption. Sinclair's opening prices are in the £25 region.

But to cap even that, Dixon's it is understood, is to market within the next month a model for a mere £20—a U.S. module in a Swiss case made specifically to fit the module. This solves the problem of unwanted movement inside adapted cases.

The fact is that the calculator-like downward price spiral is taking place much faster than many watch industry experts have predicted and there is now a distinct danger that the conventional watch industry will not be able to respond in time. It is now an open question as to whether companies like Timex can re-model themselves at suitable speed—and they need to do so because the price curve is clearly gliding rapidly down to £5 to £10 levels in which they are currently so strong.

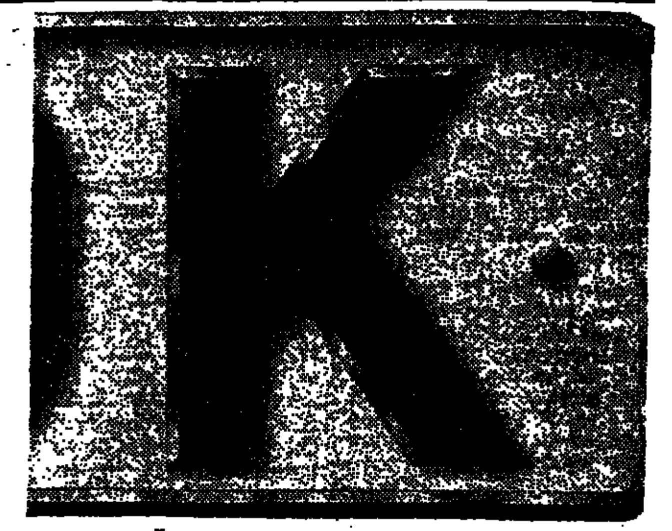
For the Swiss industry these events could hardly be happening at a worse time: world competition, currency problems and the economic climate have already seriously reduced exports and put well over half the work-force on short time.

Meanwhile the technology is *plunging onwards*. The circular solid state module—equivalent of the mechanical movement—is being reduced to fewer and fewer parts; Texas is believed to have one which can be assembled from only half a dozen parts in a few minutes only. Displays are improving—different colour LEDs will probably be in watches soon, and current consumption is being cut. Liquid crystal reliability is greatly improved. And all this is after only a few years of *activity*.

The two outstanding areas of interest in the coming months will be the extent to which the conventional industry can acquire or create semiconductor chip ability and the prowess shown by the semiconductor challengers in setting up distribution and accurate marketing approaches.

One thing seems certain: the digital electronic watch is not "a fad" as many people in the conventional industry, manu*facturing* and retailing, have been so determined to believe.

GEOFFREY CHARLISH



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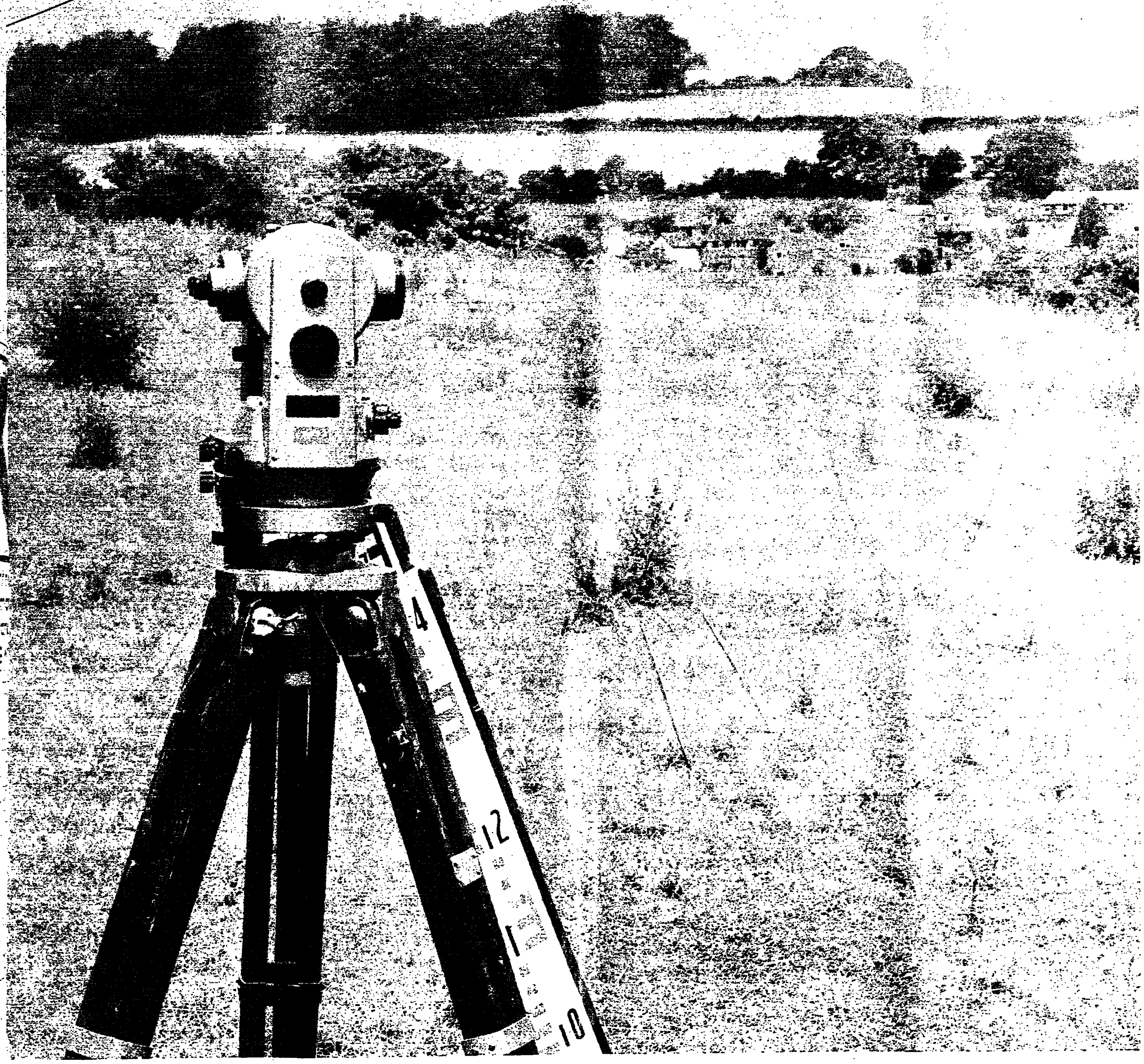

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The Property Market

BY QUENTIN GUIRDHAM

Heron's continued European lettings

IT IS more than two years now since Heron Corporation announced a hefty development and acquisition programme on the Continent which would take its total stake in European property to around £80m. Heron had gone abroad early, and though it paid highly on occasions, as in the Avenue des Arts in Brussels, most people felt that Gerald Ronson, an atypical developer, had done the sums right.

What has been less certain since is the finance (some of it planned with Keyser Ullmann) and how much of its big schemes Heron could get let. But Ronson says there has been no attempt at disposals and won't be, at least until Heron Corporation's financial year-end next March. Funding is largely cushioned by cash flow from the trading side, with a turnover of £200m.-plus hoped for this year. So with, he claims, only "one or two" Continental *properties showing a shortfall*, Heron is not having to look for sales yet and will not want to dispose of any of its better investments.

What the group, with agents Richard Ellis, have proved over the past couple of months is that there is again a healthy enough letting market for some buildings in the major European cities. Even in Munich, which has been very slow for the past year, Heron's office/shop complex at Sonnenstrasse 25 is now 40 per cent. let, four shop units having gone and two floors being taken by Continental Bank of Illinois (rent levels very average: DM20-25 per square metre a month).

In Geneva, the news is more positive, with the 3,050 square metres office content of the Elysee Molard now fully let, tenants including a subsidiary of the Union de Banque Suisse and Procredit. Ronson claims this as probably the largest single letting ever in Geneva and at the highest rent ever achieved (it translates to just under £10 per square foot). What is left is most of the 1,555 square metre shopping area, on three levels around a courtyard.

The Heron interest in Geneva is 50-50 with a private Swiss consortium (non-residents are now restricted to a 30 per cent. interest). In Madrid, the group has the whole of the Heron Building on Paseo de la Castellana. This was finished in May, and with two further floors being let this week there are now only one and a half floors left. The offices on the second to tenth floors total 6,219 square metres, with commercial and banking room on the ground and first floors of 2,815 square metres. Tenants include IBM, Banco Arabe Espanol, Barclays and Société Generale. Ronson says Heron has been getting its asking rents of 750 pesetas per square metre a month for the office space, 900 pesetas for banking space.

This leaves Heron with two other Spanish projects, a site in Barcelona, and, with planning consent now won after 15 months, a 13,000-square-metres project on the Avenida de America, Madrid.

There is less certainty about starting dates on these than on the Avenue des Arts site in Brussels, which will go ahead in the New Year with Ronson maintaining something few can do in Brussels now, that it will be substantially pre-let. If so, then Heron will escape the worst of the Brussels malaise, for its other developments there are relatively small.

Finally in Paris, the news is that 92 per cent. of that somewhat unloved landmark, the Perisud building, has been let over the last 15 months; most of the 23-27 Rue Cambon refurbishment in Paris 1 has been let, tenants including U.S. trust, Fuji Bank and Compagnie Nouvelle d'Assurance; and all bar a part of the first floor has been let in the 79 Rue de Miromesnil refurbishment in Paris 8 (rent around Frs.750 per sq. metre).

So Heron's involvement in Europe still appears to fulfil the group's aim in providing a solid asset backing for the trading interests. The timing element has been important, as has the funding. But these recent lettings also indicate an improved climate for developers with real problems on the Continent.

Ravenstone's Dublin Bay block

Scottish developers Ravenstone Securities, a private company, whose chairman Reo Stakis also has a public leisure group is starting its 76,000-square-feet development overlooking Dublin Bay. Ravenstone Securities (Ireland) and its subsidiary Clashmore Investment, have awarded John Laing (Ireland) the £1.2m. contract.

To be called Merrion House, it is going to be an unusual looking building, trapezoidal in shape with three storeys of more than 20,000 square feet of office space on each floor. A traditional office block would require around ten storeys to provide the space. But here the frontage to Merrion Road is 220 feet, with the width varying between 180 feet and 102 feet.

Completion is due in December of next year. The developers are working on assumptions of a shortage of quality office space in Dublin and reckon the position in the southern suburbs, close to both the commercial centre and good residential areas, may have its attractions compared with the heavily built city centre.

Letting agents are Hassett and Associates of Dublin.

Oxford Street demand

Healey and Baker, who should know, say that demand for space on Oxford Street is being maintained despite the overall economic depression, and that there is a similar story from most first class shopping locations.

As evidence on Oxford Street, they point to the following business over the last month or so. Healey and Baker have been concerned with the letting of No. 145, at the junction of Berwick Street, now occupied by H and B Separates, trading as Erax. Also the letting of No. 7, which faces Centre Point and is to be occupied by Ronald Cole Menswear; the rental achieved was in the region of £23,000 per year and the tenants were represented by Ian Scott. And some shopfitting works are being carried out at 139/141 Oxford Street, which Healey and Baker have let to Pant House, trading as Jean Machine, where the rent is around £60,000 per year.

Apart from the new Brentford Nylons unit at 100/102, where the new lease was negotiated at a rent around £66,000 a year, another recent deal is the entire shop property at No. 229, near the Oxford Circus Station entrance. Previously occupied by London Eating Houses, this has been let to Stratford Investments, trading as Jean Junction at a rent around £50,000 per annum exclusive. Ian Scott represented Stratford; H and B acted for London Eating Houses.

Oxford Street premises where the agents are looking for occupiers include the 150/154 site where Woolworth is now trading, the empty No. 313, opposite John Lewis, and the ground floor basement of No. 425 opposite Selfridges.

Fleming buys from Compass

Compass Securities, where the other news of the week has been the resignation of Peter Jones as joint managing director, has sold its 3-4, Lincoln's Inn Fields property to the Fleming Property Unit Trust (whose agents are Allsop). The trust considers the building, let two years ago to Wiggins Teape, is under-rented, so is prepared to accept a yield of under 6 per cent. on a reversionary basis.

The price on this block, one of the better known of Compass's period reconstructions, was £2.3m. Office space is 15,850 square feet and Wiggins Teape will want to retain the London presence even though their big Basingstoke relocation project is now *nearing completion* (the Bovis constructed new headquarters were recently topped-out).

Another interesting fund investment has been the purchase of 14, Cavendish Square by the Pensions and Charities Property Fund. This is a listed Grade 11 building of nearly 5,000 square feet of offices on the north side of the square. There are also two large flats and the building is occupied by the Iranian Bank Pars. The price paid was £850,000, which reflects a yield of 6½ per cent.

Knight Frank and Rutley and Portman Estates acted for the vendors, United Kingdom Property. The purchasers were again advised by Allsop.

Bilton's full estates

Percy Bilton, from which interim figures are due on Monday, reports more lettings on its industrial estates. At its big Kingsland Estate, Basingstoke, new tenants include Basingstoke Press and Ilsley Challis, bringing the total let area up to 470,000 square feet. With Bilton's Winchester Road fully let, plus two smaller estates, this brings the company's total up and let space in Basingstoke to 950,000 square feet.

At Moreton Valence, Gloucester, the last 8,500 square feet of a 265,000 square feet total has been taken by DIY Cheltenham. And a 52,000 square feet complex at Langley, near Slough, has just been let to Avis at around £80,000 per annum. This property was bought recently by Queensborough Property, a joint Percy Bilton-J. H. Schroder Wagg company.

Test auction in Manchester

IN Manchester, where office developments with planning permission for over 5m. square feet have been put on ice, an interesting auction to test the state of the market comes up on November 11. Bernard Thorpe will be selling 34, Princess Street (gross area 29,519 square feet) and 26-32, Princess Street (37,069 square feet). No. 34 offers vacant possession, while in the other building part of the ground floor and lower ground floor is let to Barclays Bank on an old lease, without reviews, expiring in 1989.

Princess Street is in the traditional textile warehouse area which has gradually been officed. Round the corner is the former Cook and Watts warehouse building in Portland Street, which the Lyon Group was converting to offices. The roof work has been completed and the building is now for sale.

The two buildings Thorpe will auction fall in the same pattern, the sellers being mortgagees, themselves a secondary bank. This is the sort of situation where in the past private buyers have come in at the bottom of the Manchester market, notably the cotton men who did well from buying property in the 1940s.

The attractions of the buildings might include the thought that even at No. 34, still mainly warehouse space, there is not likely to be any reason to go outside the 10 per cent. added space limits of the community land scheme in converting fully to offices. The plot ratios of around 5.3 to one overall is also attractive.

But the shake-out in Manchester's property market has been acute. The auction will test whether some sort of base level has now been reached.

OUT AND ABOUT

● Sterling Estates (Scotland), the Royal Insurance Group subsidiary, has bought the head leasehold interest from Hammersons/Amerthyst Properties in the Mercat Shopping Centre, Kirkaldy, Fife. This was probably the first shopping mall of its sort developed in Scotland, opening in 1973 and a fair spread of the leading multiples is trading there: Tesco, British Home Stores, Boots, British Shoe Corporation, Mothercare and Hardy's The Furnishers are among the tenants. It was joint development between Hammerson and the local council, and the purchase price may sound low, given as in the region of £1.25m.

Garrod Smedley acted for vendors and Hillier Parker [illegible] and Rowden represented purchasers.

● FPA Developments (So[illegible]ern) has started work on d[illegible]lopment of the Denny Indust[illegible] Centre just north of Cambri[illegible] The first phase is about 30[illegible] square feet and Knight F[illegible] and Rutley have arranged letting of about 19,000 sq[illegible] feet to Cadbury Schweppes, were advised by Robert Rayl[illegible] The remainder is to be le[illegible] a single unit. Total dev[illegible]ment is to be about 14 a[illegible] with the second phase of [illegible] from 3,000 to 5,000 square started before the end of year and it is hoped that [illegible] buildings will be to tenant's requirements. Joint le[illegible] agents are Anthony Lipton Gray Cook.

● The first floor show[illegible] suite at Accurist House, Baker Street, London W1 fetched £8.30 a square [illegible] Some of the offices upstairs, the upper part of the next Druce House, were taken a[illegible] weeks back by accountants Hayward at around £8.5[illegible] square foot. Now agents D[illegible] acting for Borg Textiles, let the 9,500 square feet [illegible] rooms at a rental of £78,00[illegible] annum exclusive for a ter[illegible] 23 years. There is an addit[illegible] £3,500 per annum rent fo[illegible] carparking spaces. The te[illegible] who were represented by rad Ritblat, are the C[illegible] Bureau for Educational [illegible] and Exchanges.

● Burns-Anderson is to bu[illegible] 90,000 square feet factory four-acre section of its O[illegible] Lane Trading Estate, Sa[illegible] for a Royal Doulton subsi[illegible] Coldshield Windows. The fa[illegible] section should be complet[illegible] five months, with 10,000 s[illegible] feet of offices ready next Burns-Anderson bought former textile mill site at O[illegible] Lane two years ago. It is almost fully let, with ne[illegible]tions going on for the las[illegible] acres available for indu[illegible] development.

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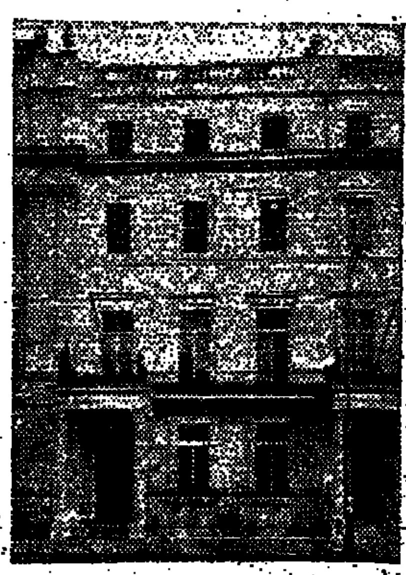

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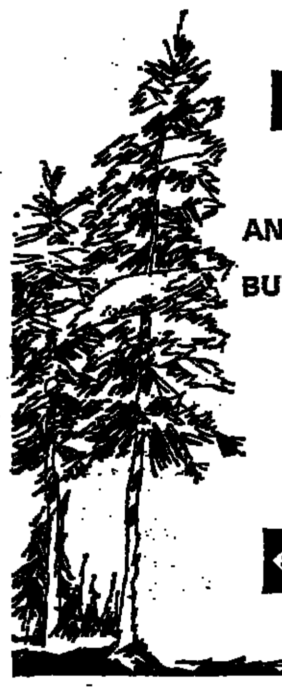

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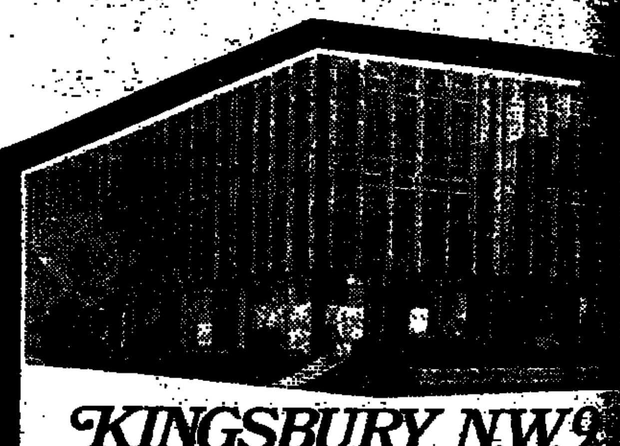

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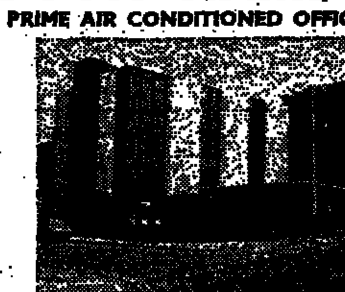

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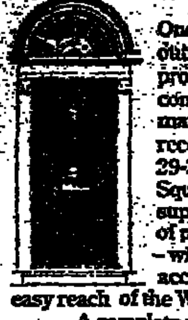

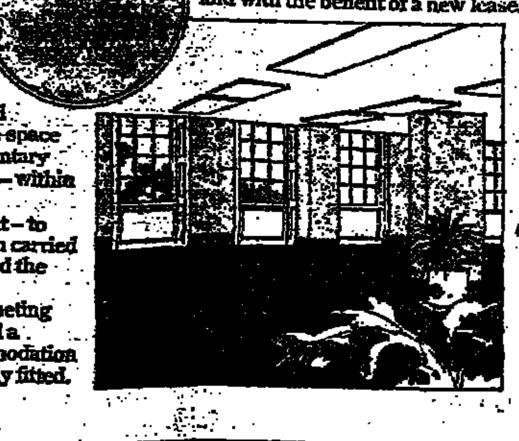

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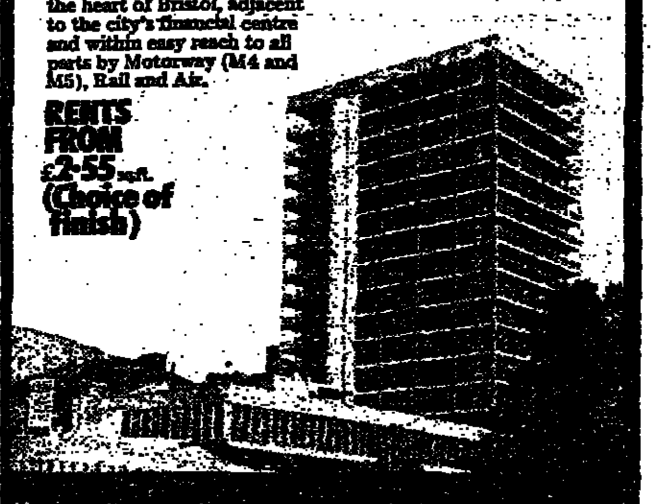

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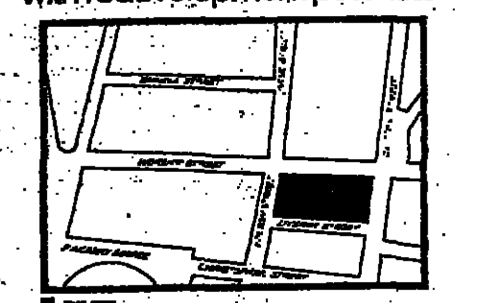

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To The Holders of 5¾% Convertible Subordinated Debentures Due 1987 of SAXON INDUSTRIES, INC., a New York Corporation

1. The shareholders of Saxon Industries, Inc., a New York Corporation ("Old Saxon"), and the stockholder of Saxon Industries, Inc., ("New Saxon"), which is both a Delaware Corporation and a wholly-owned subsidiary of Old Saxon, have voted to merge the two companies. As a result, the surviving company will be New Saxon. The business of Old Saxon will be carried out by New Saxon under the name and style of Saxon Industries, Inc. This is the same name and style as used by Old Saxon prior to the merger.

2. The due and punctual performance and observance of all the covenants and conditions of Old Saxon under the Indenture dated as of November 1, 1972 and the 5¾% Convertible Subordinated Debentures Due 1987 (the "Debentures") issued pursuant thereto have in all respects been assumed by New Saxon. New Saxon has specifically assumed the due and punctual payment of the principal of, premium, if any, and interest on all the said Debentures, according to their tenor, by the execution of a supplemental indenture on September 30, 1975.

3. There will be no stamping or exchange of the Debentures, resulting from the merger.

4. The Debentures will remain listed on the Luxembourg Stock Exchange under the title—5¾% Convertible Subordinated Debentures Due 1987—Saxon Industries, Inc., a Delaware Corporation, successor to Saxon Industries, Inc., a New York Corporation.

SAXON INDUSTRIES, INC., a Delaware Corporation.
Stanley Lurie,
Senior Vice President and Treasurer.

New York, N.Y.
October 15, 1975.

No. 003357 of 1975

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of KETWELL INDUSTRIES LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 14th day of October 1975, presented to the said Court by A. WATTS AND SONS LIMITED, whose registered office is situate at 80, Abington Street, Northampton, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL on the 17th day of November 1975, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

SHARPE, PRITCHARD & CO.,
109 Kingsway, London, W.C.2.
Agents for:
Shoosmiths & Harrison,
20 Market Sq.,
Northampton NN1 2DZ
Solicitor for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their solicitor (if any) and must be served or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 14th day of November 1975.

No. 003300 of 1975

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of INFOTAPE (INTERNATIONAL) LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 8th day of October 1975, presented to the said Court by C. LEGGETT & SON LTD., whose Registered Office is situate at 22, Wates Way, Mitcham Surrey, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL on the 10th day of November 1975, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

WILKINSON & DURHAM,
1 North Street,
Leatherhead, Surrey
KT22 7AY
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or if posted must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 7th day of November 1975.

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Air Conditioned Building To Let
10,600 sq. ft.
£4.50 per sq. ft.

BRENTWOOD
4,000-18,000 sq. ft.
Modern Offices To Let
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DOUGLAS RAILWAY STATION

About 7 acres of mostly level land situated in the commercial centre of the town and adjoining Douglas Harbour with all main services available.

Form and condition of tender can be obtained from Mr. A. H. Stewart, Secretary, Isle of Man Railway Company, P.O. Box No. 30, Douglas, Isle of Man.

Closing date for tenders: Monday, 8th December, 1975.

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TENANT REQUIRED TO SUPPORT ODP FOR 12,000 sq. ft. gross (9,500 sq. ft. net)

Prime site in excellent office location. Detailed Planning Permission obtained and early commencement of building programme available.

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A unique investment/development proposition.

SOUTH CORNWALL

A beautiful Georgian mansion overlooking Falmouth and standing in 3½ acres of grounds with 250 feet of river frontage and having moorings for 30 yachts. Ideally suited for a superior country club/holiday complex having planning permission for 18 holiday flats.

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MILLER & COMPANY,

The Mansion House, Princes Street, Truro, Cornwall

Telephone: TRURO 4211

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N.W.10

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18,000 sq. ft. (would divide)

FOR SALE or TO LET

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Great Harbour Cay—an entire, luxurious Bahamas resort island available "turn key". Ten miles powder white sand beach, $2.5 million clubhouse, 160 room resort, 18 hole golf course, 80 slip marina, 6 tennis courts, diesel electric generating plant, various residential building lots together with 4½ miles of beach front property ($20 million at retail). Land purchase contract receivables and Ocean Villa Condominiums having value in excess of $2.5 million. Truly one of a kind. Island property only recently available. Seeking responsible purchaser with strong financial backing. Terms available. Inquiries to principals c/o David L. Feinberg, Suite 100, 4500 Biscayne Boulevard, Miami, Florida 33137. (305) 576-4800.

WANTED IN AMSTERDAM HOLLAND

Properties of all descriptions. Commercial-Industrial-Residential-Land for development, and Investments of all kinds. Immediate decisions taken.

Will all Interested Owners please contact:—

I. ZWAAF (REAL ESTATE BROKERS)

P.O. Box No. 7989 Amsterdam Holland — or — Amsteldijk 166 Amsterdam Holland

Telephone (010-31-20) 443366

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PRIME SHOPS in first class centres throughout S.E. England.

FIRST CLASS REVERSIONARY OFFICE INVESTMENTS. Maximum 1 million.

4/7,000 SQ. FT. WAREHOUSING N.W. London. Rental only.

2,500/3,500 SQ. FT. LIGHT INDUSTRIAL. Tottenham.

GOLD, ALLEN & CO., 39 Gloucester Place, W.1. Tel: 01-487 4850/4843.

WANTED. Substantial contractors plant yard with offices and workshop, in Surrey/Middx./Bucks. area. Reply in writing to Mr. M. O'Connor, Rowberry Morris & Co., 15, Clarence Street, Staines, TW18 4SU.

LONDON HOUSES AND FLATS

EXECUTIVE SERVICE luxury apartments available Central London. Prince Regent House, Carburton St., London, W.1., England. Tel. 01-637 0717.

BUILDING LAND & SITES

EDINBURGH NEAR CITY CENTRE

½-acre site to be let on lease with option to buy. 16,500 sq. ft. commercial buildings. Current use value established exempt from proposed Community Land Act. Planning consent for development of flats granted before Sept., 1974. Write Box T.4218, Financial Times, 10, Cannon Street, EC4P 4BY.

CINEMAS—Cont.

SCENE 4 Leic. Sq. (Wardour St.). 439 4470. 2nd Year. The Film Everybody's Talking About. The Exorcist (X) Directed by William Friedkin. Sep. Perfs. Dly. 12.30, 3.00, 6.15, 9.00. Lte. Show Fri. & Sat. 11.30 Box Office Open Dly. 10-8 Sun. 12-8 Seats Bkble. All Pfs.

WARNER WEST END Leicester Square. Tel.: 439 0791.
1 Telly Savalas, James Mason, Robert Culp. INSIDE OUT (A). Cont. progs. Wk. 2.10, 4.15, 6.20, 8.30. Sun. 3.30, 5.40, 7.55. Late show Sat. 11.00.
2. Gene Hackman NIGHT MOVES (X). Cont. progs. Wk. 2.15, 4.15, 6.20, 8.30. Sun. 3.30, 5.40, 7.55. Late show Sat. 11.00.
3. VENIAL SIN (X). Sep. progs. 2.00, 5.00, 8.00. Late show Sat. 11.00 p.m.

SHOPS & OFFICES

CITY E.C.2

COMPUTER ROOM

1,000 SQ. FT. (approx.)

Fully Air Conditioned

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Principals only

Write Box T.4215, Financial Times, 10, Cannon Street, EC4P 4BY.

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CENTRAL BOURNEMOUTH

Few minutes walk from the Square

SUPERB PERIOD OFFICE BUILDING IDEAL FOR HEADQUARTERS

TO LET

APPROX. 6,000 Sq. Ft. NET

RENT £3.75 Sq. Ft.

Refurbished to high standard incorporating all modern amenities. Own grounds of 1 acre—on site parking for 15 cars.

POSSESSION SUMMER 1976.

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BULLOCK & LEES,

4 Wick Lane, Christchurch.

Tel: 5187 or 6137.

NEW OFFICE DEVELOPMENT

Yateley, Camberley, Surrey

Close M3 and M4

Approx. 10,000 sq. ft. Might divide

Apply Joint Sole Agents:

PEARSONS — 27 London Street, Basingstoke, Hants.

Winkworth CHARTERED SURVEYORS 1835 — 18 Curzon Street W.1.

MAYFAIR W 1.

few yards Piccadilly and Green Park 3 mins. Underground Station

TO LET

2,600 SQ. FT.

Office accommodation in new building. Own entrance, 40 ft. frontage. Ground floor 1800 sq. ft. L. Ground Floor 800 sq. ft.

DENSHAM & LAMBERT,

Chartered Surveyors,

2, Verulam Buildings,

Gray's Inn, WC1.

(01-242 0429)

ASCOT

1,400 sq. ft. offices to let.

Completely refurbished and newly carpeted office suite in spacious Country Mansion.

£3.95 PER SQ. FT.

Ample parking space

5 minutes walk from shops, station and buses

Own generator for emergencies

10 minutes M3 or M4

20 minutes London Airport Heathrow

35 minutes Central London

Good pool of local labour at substantially less than London rates of pay

For full information call Gerald Vane on 0990 (Ascot) 23377.

FOR SALE OR TO LET: New prestige office building, 3,000 square feet, London, S.W.6. Suitable London head office or professional occupation. Write Box T.4216, Financial Times, 10, Cannon Street, EC4P 4BY.

HARROW OFFICES. Modern space 2,000 sq. ft. net in town centre. £9,250 p.a. ex. No premium for lease. Conrad Ritblat & Co. Ltd. (Ref.: OFF/NJG) 935 4499.

INSTANT City Offices from £40 p.w. Tel. 01-434 1667.

NORTH-WEST LONDON (15 mins. West End, 5 mins. M.1). Individual period office building, 4,000 sq. ft. Suit small H.Q. Private car park. Elegant Board Room. C.H. Carpets, etc. 15 years F.R.I. Lease. Rent £14,000 p.a.x. Tel owners, 452 2683 to 6 p.m.

SCOTLAND and North of England. For buying, selling or leasing, industrial or commercial property. Contact Malcolm Bigwell, 3, Norrieston Place, Thornhill, Stirling, Scotland. 'Phone 078-685 284.

WARMINSTER, WILTSHIRE: 1,620 sq. ft. of newly modernised offices to let in central position (would suit company serving the South West—with easy road and rail links) 8 car parking spaces. low rental of £1,325 p.a. with right to sub-let part if desired. Full particulars from Pearsons, 67, Market Place, Warminster. Tel.: (098-52) 3595.

WATFORD—Centrally located office suite 1,036 square feet. Ideal for professional firm, etc. Sub lease available until 1987. Rental £4,000 per annum. NO PREMIUM. Profitt & Gough, 37 St. Albans Road, Watford WD1 1SH. Watford 26178/9.

2,500 SQ. FT. self-contained modern offices. Entire second floor Sackville Street, W.1. Redecorated, modern demountable partitions, fully carpeted. Lifts and Central Heating. Attractive terms. HEALEY & BAKER, 01-629 9292, or Miss Grundy 01-839 5923.

OLD BAILEY

E.C.4

MODERN OFFICE SUITE

Post-war tower block.

Approx. 1,065 sq. ft.

TO BE LET

Lift. C/H. Car Parking

For details apply.—

Jones Lang Wootton

33 King Street, London, EC2V 8EE.

01-606 4060 Ref. C/KGP

2,640 SQ. FT. brand new s.c office building. Chancery Lane. King Matthews and Goodman 01-248 3200.

COMPANY NOTICES

COMPANIA DE ELECTRICIDAD DE LA PROVINCIA DE BUENOS AIRES, LIMITED

(In Members' Voluntary Liquidation)

To: THE HOLDERS OF SHARE WARRANTS TO BEARER REPRESENTING ORDINARY SHARES OF THE COMPANY

PAYMENT OF FIRST CASH DISTRIBUTION BY THE LIQUIDATORS

At the Extraordinary General Meeting of the Company held on 10th October, 1975 the Special Resolution for the Voluntary liquidation of the Company as a Members Voluntary Winding up was duly passed; and Mr. F. N. Hoogewerf and Mr. G. H. Urbin, both of Binder Dijker Otte S.A., 43, Rue Goethe, Luxembourg (Grand Duchy of Luxembourg) were appointed as Joint Liquidators for the purposes of the winding up.

No further dividends will be paid on any of the shares of the Company; but, as indicated in the Chairman's letter dated 16th September, 1975 a first cash distribution to the Ordinary Shareholders at the rate of 15p for each Ordinary Share of 5p has been declared by the Liquidators and will be payable on 31st October, 1975.

It is not possible to make any accurate forecast of the total amount which might ultimately become available for distribution among the members in the liquidation. However, during the course of the liquidation it is hoped that it might be possible for the Liquidators to make a small additional distribution but no indication can be given as to the amount or time at which such further distribution may be made.

PROCEDURE FOR OBTAINING PAYMENT OF FIRST CASH DISTRIBUTION

To obtain payment of the first cash distribution to which he is entitled a holder of Share Warrants to Bearer representing Ordinary Shares must comply with the following procedure:—

The appropriate Form of Application must be completed and delivered, together with all your Ordinary Share Warrants to Bearer, on or after 31st October, 1975, to the Liquidators at the offices of Binder Dijker Otte S.A., 43, Rue Goethe, Luxembourg (Grand Duchy of Luxembourg). Provided your documents are in order, your Share Warrants will be enfaced with a note of the first distribution made on the Ordinary Shares comprised therein and returned to the person by whom they were delivered together with a cheque in payment of the total amount of such first distribution. Share Warrants received through the post will be returned by post together with a cheque in payment of the first distribution, at the risk of the person(s) entitled thereto.

Neither the Liquidators nor their agents will accept any liability in respect of Share Warrants, Cheques or other documents which may be lost or destroyed in the course of delivery to or by the Liquidators or their agents and accordingly you should make such insurance arrangements as you may consider necessary to cover such loss or destruction.

Forms of Application for use in respect of holders of Ordinary Share Warrants to Bearer resident (a) outside the Scheduled Territories* and (b) within the Scheduled Territories* may be obtained at the offices of Binder Dijker Otte S.A., 43, Rue Goethe, Luxembourg (Grand Duchy of Luxembourg) and of Binder Hamlyn Singleton Fabian, 8, St. Bride Street, London EC4A 4DA.

Holders of Share Warrants to Bearer resident outside the Scheduled Territories*

If you are resident outside the Scheduled Territories* you or your Banker or other authorised agent must complete the appropriate Form of Application and deliver it, together with all your Share Warrants to the Liquidators at the offices of Binder Dijker Otte S.A. 43 Rue Goethe, Luxembourg (Grand Duchy of Luxembourg), on or after 31st October, 1975.

Holders of Share Warrants to Bearer resident within the Scheduled Territories*

IMPORTANT: Application for payment by holders of Share Warrants resident within the Scheduled Territories* must be made by or through the agency of an Authorised Depositary* or an Approved Agent in the Republic of Ireland* and payment will only be made and enfaced Warrants returned to such Authorised Depositary or Approved Agent*.

(A) If you are resident in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland you must give instructions for all your Share Warrants to be delivered on or after 31st October, 1975 to the Liquidators at the offices of Binder Dijker Otte S.A., 43 Rue Goethe, Luxembourg (Grand Duchy of Luxembourg), by the Authorised Depositary* or the Approved Agent in the Republic of Ireland* by whom they are held on your behalf together with the appropriate Form of Application completed by such Authorised Depositary* or Approved Agent.

(B) If you are resident in Gibraltar you must make arrangements for all your Share Warrants to be delivered on or after 31st October 1975 to the Liquidators at the offices of Binder Dijker Otte S.A., 43 Rue Goethe, Luxembourg (Grand Duchy of Luxembourg) by an Authorised Depositary* together with the appropriate Form of Application completed by such Authorised Depositary*.

F. N. HOOGEWERF,
G. H. URBIN,
Joint Liquidators

22nd October, 1975.

*EXCHANGE CONTROL ACT 1947

The Scheduled Territories at present comprise: The United Kingdom, the Channel Islands, the Isle of Man, the Republic of Ireland and Gibraltar.

Authorised Depositaries are listed in the current issue of the Bank of England's Notice EC 1 and include Banks and Stockbrokers in, and Solicitors practising in, the United Kingdom, the Channel Islands, or the Isle of Man.

An Approved Agent in the Republic of Ireland is defined in the current issue of the Bank of England Notice EC 10.

LEGAL NOTICES

No. 003351 of 1975

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of BOXKELL LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 13th day of October, 1975, presented to the said Court by BOXKELL LIMITED whose registered office is situate at 3, Great James Street, London WC1N 3DR, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 17th day of November, 1975, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose: and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

BERNARD SHERIDAN & CO.,
14, Red Lion Square,
London WC1R 4QL.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 14th day of November, 1975.

COMPANY NOTICES

SIDRO
Société Anonyme

Registered Office, 38 Rue de Naples, Brussels, Belgium.
Registered Number: Brussels 1846

The dividend for the year 1974/75 amounts to 30 francs per share.

This dividend was paid with effect from 21st October 1975, against the surrender of coupon No. 49 at the counters of the following establishments:—

Belgium: Société Générale de Banque, and its offices and agencies.
Banque de Bruxelles Lambert, its offices, branches and agencies.
Banque Degroof, Brussels.
Kredietbank, its offices and agencies.

Switzerland: Credit Suisse, 8 Paradeplatz, Zurich, and its other branches in Switzerland.

Luxembourg: Banque Generale du Luxembourg, 14 Rue Aldringen.
Crédit Industriel d'Alsace et de Lorraine, 103, Grand'rue.
Banque Internationale à Luxembourg, 2 Bis, Boulevard Royal.

London: Edward Bates & Sons Limited, Cunard House, 88 Leadenhall Street, EC3A 3DR.

For the shareholders taxable in Belgium the amount taxable and the tax for persons established there is F 51

The following taxes are then fixed by Law:—

As fixed by Law	F13.50	
As a personal tax	F 7.50	
		F 21
Net Dividend		F 30

UNION CORPORATION LIMITED
(Incorporated in the Republic of South Africa)

PAYMENT OF COUPON No. 122

HOLDERS OF SHARE WARRANTS TO BEARER are hereby informed that Dividend No. 117 being an interim dividend for the year ending 31st December 1975, of 12 cents Republic of South Africa currency per share (equivalent to 6.67241p United Kingdom currency per share) will be payable at the office of the London Secretaries of the Corporation on and after 12th November 1975 on surrender of Coupon No. 122.

Listing forms may be obtained and coupons lodged at any of the following places:

In London:
At the London Secretaries Office of the Corporation (8 Basinghall Street (3rd Floor) London, EC2 entrance).

In Paris:
At Lloyds Bank International (France) Limited, or Banque de l'Indochine.

In Switzerland:
At Credit Suisse, Zurich, or Swiss Bank Corporation, Basle, or at any of their branches.

Coupons lodged at the London Secretaries Office must be left four clear business days for examination and may be deposited on or after 3rd November, 1975, between the hours of 11.00 a.m. and 3.00 p.m. (Saturdays excepted).

South African Non-Resident shareholders' Tax of 15% having been imposed on that proportion of the dividend declared deemed to be payable out of the profits earned in South Africa, the effective rate for this dividend is 14.41%. This tax will be deducted irrespective of the domicile of the person surrendering the coupon.

The gross amount of the dividend to be included in any return for United Kingdom Income Tax purposes is 6.67241p as indicated below:

	Per 6.25 cents Share
United Kingdom currency equivalent of Dividend as declared	6.67241p
South African Non-Resident Shareholders' Tax at 14.41%	0.96149p
	5.71092p
United Kingdom Income Tax at 20.59% on the gross amount of the Dividend of 6.67241p	1.37385p
Net amount	4.33707p

per pro UNION CORPORATION (U.K.) LIMITED,
London Secretaries
L. W. HUMPHRIES.

London Secretaries
Princes House,
95 Gresham Street,
London, EC2V 7BS.
24th October, 1975.

NOTE.—Under the double tax agreement between the United Kingdom and the Republic of South Africa, South African tax applicable to the dividend is allowable as a credit against the United Kingdom tax payable in respect of the dividend. The deduction of tax at the reduced rate of 20.59% instead of at the standard rate of 35% represents an allowance of credit at the rate of 14.41%, the rate of overseas taxation applicable.

APPOINTMENTS

Sotheby's

FINANCE DIRECTOR

• SOTHEBY'S are to appoint a Finance Director for the London company who will also be Secretary of Sotheby's and of the Holding Company. This appointment arises as a result of the tragic death of the London Finance Director.

• AS DEPUTY to the Group Finance Director, the new London Finance Director will be closely involved in the formulation and coordination of overall financial policy within the Sotheby group worldwide. Specific responsibilities include financial direction of the London company, negotiation of special transactions, credit, Exchange Control and taxation.

• AS SECRETARY, his responsibility will include supervision of property interests, pension fund administration and legal matters.

• EXPERIENCE in the financial direction and control of a substantial commercial enterprise and in company secretarial work is required.

• SALARY – well into five figures with attractive fringe benefits. Age – preferably under 40.

Write in complete confidence
to A. Barker as adviser to Sotheby's.

TYZACK & PARTNERS LTD
10 HALLAM STREET and LONDON W1N 6DJ
12 CHARLOTTE SQUARE and EDINBURGH EH2 4DN

Financial Controller

c. £8,000 p.a. *Home Counties*

Our client is a well known, quoted finance group and a subsidiary of a major bank. Its operations in the finance field are conducted through a branch network covering the United Kingdom.

Reporting to the Board the Financial Controller will be responsible for controlling all the financial and management accounting aspects of the Group. He will additionally act as the Company Secretary and as such involve himself with administration matters.

He will be either a Chartered or Certified Accountant and will preferably have some knowledge of company secretary duties. Familiar with Board reporting relationships, he will, ideally, be aged 30-40 and currently earning not less than £6,000 p.a.

Prospects for the right man are excellent and will lead to a Main Board appointment, if he proves to have the relevant qualities.

Applicants are invited to write briefly and in confidence to Douglas Atkins (ref. 550).

Beckwell Management Search Ltd.
84-86 BAKER STREET LONDON W1M 1DL
ASSOCIATED WITH COMPANIES IN AUSTRALIA · BENELUX · CANADA · FRANCE ITALY · MEXICO · PUERTO RICO · SCANDINAVIA · SPAIN · USA · WEST GERMANY

Corporate Planning Executive
£10,000

The *Managing Director* of a large international manufacturing group seeks an executive to assist him in setting operating objectives and advising colleagues on the business plans.

The requirement is for a person experienced in business and organisation planning, and skilled in management diplomacy. He is likely to have had experience as a *Commercial Director*, and to have a recognised standing as a business economist. Prospects include the possibility of managing directorship of an operating company.

In the first instance please telephone in strict confidence: Mr. G. M. Simms on 01-836 1500 or write to him at Leo Burnett Selection, 48 St. Martin's Lane, London WC2N 4EJ.

Leo Burnett Selection

Group Management Services
Director

This new top-level appointment, in a major British business group with European connections, will involve close liaison with all companies in the group. The Director will provide central computer facilities to member companies and advise on and co-ordinate the development of new information systems throughout the group. He will also have a key role in the formulation of the group's future strategy in this area.

To meet the needs of this demanding post, candidates will probably be aged over 38 and should have a general business management background coupled with a thorough knowledge of up-to-date computer developments. They must show evidence of substantial achievement in these areas as well as the ability to communicate in their own terms with Chief Executives and others. Innovative skills in the successful development of information services in a large organisation would be advantageous.

The salary is negotiable around £15,000, but could be more for an exceptional candidate. Comprehensive fringe benefits; car provided; location Home Counties. Please telephone (01-629 1844 at any time) or write – in confidence – for information. J. G. French ref. B.6512.

MSL *World wide*
Management Selection Limited
17 Stratton Street London W1X 6DB

eastern electricity

Area Headquarters, Wherstead, Ipswich

Chief Accountant

The present Chief Accountant retires at the end of the year and we are seeking his replacement.

This is a Chief Officer post and the holder is responsible to the Board for the full range of financial and accounting services, and for a comprehensive computer installation. The post also carries functional responsibility for associated work in three Groups and nineteen District offices and in several other units directly controlled by Headquarters.

Starting salary within the range £10,920 – £12,930 per annum.

Applications should be sent to the Chairman, Eastern Electricity, P.O. Box 40, Wherstead, Ipswich IP9 2AQ, to arrive not later than 31 October 1975.

HEAD OF RESEARCH

A leading firm of Stockbrokers invites applications from experienced Senior Investment Analysts to take over the direction of a small specialised Research Department which requires further development.

The successful candidate will probably:

★ Have a University degree and/or professional qualification.

★ Have had extensive previous experience with another firm of Stockbrokers both in writing lucidly for and talking fluently to Institutional Clients.

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LABOUR NEWS

NUM move to win formal closed shop

By Our Labour Reporter

THE NATIONAL Union of Mineworkers has made its first move towards seeking a formal closed shop in the mining industry by warning the National Coal Board that all its 14,000 clerical workers must belong to a trade union.

The NUM claims its warning stems from irritation that non-union clerical workers have qualified for the industry's efficiency bonus. But the move is also in line with the declared intention of Mr. Joe Gormley, NUM president, to seek a written closed shop in the coal industry.

Clerical workers would be most affected because there is already a de facto closed shop among manual workers.

The number of non-union members among clerical staff is estimated at 2,000 and the NUM's white-collar section is anxious to recruit them at the expense of its main rival among this group, the Association of Professional, Executive, Clerical and Computer Staffs.

Decision

Delicate talks are under way, aimed at establishing a modus vivendi between the two unions after the NUM's decision to withdraw from their joint negotiating machinery at the end of the year.

The NUM has more than half the NCB's clerical staff in membership and APEX about one-third.

The issue of six power supply workers dismissed by the Central Electricity Generating Board for refusing to comply with a closed shop agreement signed by four big trade unions is to be raised in the Commons next week.

Mr. Jeremy Thorpe, Leader of the Liberal Party, is to ask Mr. Michael Foot, Employment Secretary, to make a statement on the Government's attitude to the dismissals, all of which were at the Ferrybridge "C" power station, Yorkshire.

Leyland's participation plans—more snags

BY ROY ROGERS, LABOUR CORRESPONDENT

BRITISH LEYLAND'S worker participation plans ran into more snags yesterday, but the fresh problems which emerged at a meeting of 400 senior shop stewards may be resolved when the meeting is reconvened on Monday.

Yesterday's meeting, held at the company's plant at Longbridge, Birmingham, was for senior shop stewards to hear the proposals from their negotiating committee of 32, which was recommending their acceptance.

The meeting never reached a vote because white collar union representatives had not had time to absorb the proposals, which they did not receive until yesterday morning, and because much time was taken up in a wrangle over whether the manual unions were getting sufficient representation on the proposed three-tier system of joint management councils and committees.

Complaints that white collar unions would have too big a say in the joint committees were voiced by several manual workers' shop stewards and this issue has still to be resolved.

Although no one has been sent home yet from Leyland's Rover plant at Solihull, the sanctions by 1,000 staff refusing to co-operate with the reorganisation of the company are tightening their grip.

Land-Rover production is being seriously disrupted and it is questionable whether management can avoid laying off workers unless discussions aimed at changing the staff attitude which began yesterday are successful.

Four days' production of most models at the Triumph factory at Coventry have been lost through the reaction of 1,000 staff to alleged delays in implementing a new wages structure. About 2,500 workers there and another 1,100 at the associated Merseyside plant have been laid off.

At Abingdon, Berks., the MGB sports tourer output is being held up by shortages of hoods and more than 300 workers are idle.

GEC workers seek better pay-off

BY OUR OWN CORRESPONDENT

REDUNDANCY-THREATENED *GEC workers met in angry mood* yesterday at the doors of the company's Kirkcaldy factory.

GEC plans to shed 850 of its 3,000 workers in Fife. It has asked for voluntary redundancies and many more non-voluntary redundancies are expected to be announced to-day.

Yesterday's meeting was called by staff members who want their unions to strengthen their demands for a better redundancy deal.

One of their leaders said: "We are forced to accept these redundancies, but we cannot accept the present redundancy offers—we are being offered the bare minimum from a very rich company that made a profit of £120m. this year."

● A petition signed by 14,000 people protesting at the proposal *to run down and eventually close* the Standard Telephones and Cables factory at Larne, Co. Antrim, was presented to Mr. Gregor MacKenzie, Under-Secretary for Industry, in the Commons yesterday.

It was handed in by Mr. Ian Paisley, United Ulster Unionist MP for North Antrim.

● Trade union representatives urged Mr. Eric Varley, Secretary of State for Industry, to provide additional funds for the ailing Alfred Herbert machine tool company in Coventry, where about 1,200 redundancies have been threatened.

The delegation emphasised the need for a viable British machine tool industry as a basis for Britain's economic revival. Mr. Varley promised to consider their case.

Sex equality hanging fire

BY OUR LABOUR REPORTER

TOP British companies are making special preparations to guarantee equal opportunities for women even though new sex discrimination legislation comes into force in two months.

A survey has disclosed that none of 20 leading private sector companies has a written equal opportunities policy and that only a third claim to be working towards such a policy. Most of the companies claim that they do not need to take special measures because they have already eliminated sex discrimination.

The Equal Pay and Opportunity Campaign, which mounted the survey, expresses concern in its report that with the new law only two weeks away "so little thought has been given to its implications by even the largest group of companies."

The campaign is sceptical about the claims by many large companies that they do not discriminate. The "low proportion" of female personnel managers and the job and salary levels of women who work in personnel tell a different story, it reports.

Men far outnumber women in all senior personnel positions, even in industries employing large numbers of women. Among the companies surveyed only F. W. Woolworth had a female head of personnel.

However, active moves are under way in some companies. Imperial Tobacco said that it was eliminating discrimination in job titles and in internal and external recruitment advertising. ICI is examining its procedures to make sure that they comply with the new legislation and Philips Industries is planning a special conference on the new law.

IN BRIEF

Scots lorry drivers accept £6

A £6 pay deal, providing 15 per cent. wage rises, has been agreed by the recently-created joint industrial council covering 5,000 Scottish lorry drivers to run from November 7.

Rail talks

Talks between British Rail and the three railway unions adjourned yesterday without any agreement on whether proposed guidelines on economies should include a no-redundancy formula. Further meetings are likely after the two sides have discussed BR's future next week with Mr. John Gilbert, Minister of Transport.

Protest strike

Production resumed at Dunlop-Pirelli factories on Merseyside, yesterday, after Wednesday's 24-hour strike by about 6,000 of the company's 16,000 U.K. workers in response to a call for an international day of protest against multinational rubber companies.

Mixed feelings

National union officials representing 5,000 manual workers employed by British Nuclear Fuels meet soon to decide their next move, after mass meetings which showed there were mixed feelings about holding a strike over management's insistence that a £2.60 a week interim payment agreed in June must be offset against the £6 limit for their annual settlement—payable from October 1.

Pilots' fees

The British Airline Pilots' Association executive committee yesterday decided to defer the date of possible industrial action over an increase in pilots' licence fees till further talks with the Civil Aviation Authority.

Junior doctors seek pay in full while they protest

BY LORELIES OLSLAGER, LABOUR STAFF

A POTENTIALLY explosive new issue has been introduced into the dispute over junior doctors' overtime pay, which has already lead to unprecedented industrial action and threatens to spread further next week.

The issue is whether the doctors should be paid in full for the time when, in order to protest against their proposed new contract, they work less than usual by treating emergency patients only.

Yesterday more than 4,000 of Britain's 15,000 junior hospital doctors were said to have joined the protest action, which consists mainly of treating emergency cases only. About 150 hospitals are affected.

Doctors' leaders estimate that by Monday more than 6,000 junior doctors will have joined the protest movement.

The question of pay was raised in passing by local health authority officials in Blackburn this week, but yesterday the Department of Health and Social Security refrained from giving an absolute assurance that junior doctors would continue to receive full pay.

It said that under their contracts doctors were paid on an annual basis. "At the moment, we are leaving the pay question to the employing authorities."

No health authority appears to be contemplating withholding junior doctors' pay because of industrial action and the Government is thought unlikely to issue instructions on the point before the national ballot on protest action in a few weeks.

The British Medical Association, which expressed sympathy with the junior doctors on Wednesday, has called on Mrs. Barbara Castle, Health and Social Services Secretary, to honour the principle of "no victimisation."

Board members of BSC company to meet on jobs

BY OUR LABOUR REPORTER

BOARD MEMBERS, including four trade union representatives, of a new British Steel Corporation subsidiary company are expected to meet shortly to develop plans for attracting new jobs to areas which will be hardest hit by the steel industry's modernisation programme.

This new enterprise named BSC (Industry) will involve steel union leaders in trying to satisfy their own terms for accepting the loss of up to 40,000 jobs under the BSC's development programme.

Their commitment to resisting redundancies in areas where no alternative employment exists was reaffirmed yesterday by Mr. Bill Sirs, the leading trade unionist on the new Board, who is general secretary of the largest steel union, the Iron and Steel Trades Confederation.

The presence of Mr. Sirs on the nine-man Board of BSC (Industry), together with Mr. Eddie Lynton, convener of the National Craftsmen's Co-ordinating Committee, and two rank-and-file steelworkers, is not seen by the steel unions as a major advance in industrial democracy.

This is because the new company is essentially a management organisation which will be only remotely connected to the main policy-making centres within the BSC.

However, the BSC, which has had a worker-director experiment under way for the last seven years, is clearly hoping union representation on the Board of its new company will help soften any possible opposition to its closure programme

Dockers' severance plan

BY JOHN WYLES, LABOUR REPORTER

LONDON DOCK Labour Board has cut the qualifying age at which its dockers can apply for voluntary severance payment, in a bid to speed up a planned reduction in the enclosed docks labour force.

As the rate of applications for severance has dwindled, the Board has decided that it is unlikely to reach its urgent target of 1,100 fewer dockers unless the qualifying age for severance payments is reduced from 51 to 48.

Union representatives on the Board have been persuaded to accept this change because of evidence of increasing losses among port employers, who are being badly hit by a 20 per cent. drop in trade

The National Dock Labour Board recently received a £5m. Government loan to help finance the reductions in London, where payments of up to £5,250 are available according to length of service. Under the dockers registration scheme, which the Government plans to extend to all major British ports, dockers cannot be made compulsorily redundant.

U.K. ECONOMIC INDICATORS

General	Unit	1975 Oct.	1975 Sept.	1975 Aug.	1974 Oct.	1974 Sept.
Unfilled vac'n's¶	'000s	131.9	143.4	138.5	375.2	398.7
Unemployed ¶	'000s	1,165.4	1,249.1	1,250.3	612.6	647.0

		1975 Sept.	1975 Aug.	1975 July	1974 Sept.	1974 Aug.
Currency resrvs.	$bn.	5.859	6.004	6.259	7.170	6.842
Manfd. prods. d	1970=100	195.0	193.5	191.7	158.6	156.1
Bank advances b	£bn.	13.782	14.074	14.255	n.a.	n.a.
Terms of trade	1970=100	82.8	82.7	82.6	76.1	74.9
Retail prices ...	Jan. '74=100	140.5	139.3	138.5	111.0	109.8
Wage rates	July'72=100	184.5	184.1	183.2	146.3	145.5
Basic mater'ls d	1970=100	242.7	241.1	232.8	212.8	213.7

		1975 Aug.	1975 July	1975 June	1974 Aug.	1974 July
HP debt ¶	£m.	2,238	2,249	2,257	2,303	2,306
Retl. sales val.**	1971=100	175.8	174.4	172.1	150.4	146.5
Indust. output**	1970=100	99.1	100.0	99.5	109.4	110.0

Trade and Industry		1975 Sept.	1975 Aug.	1975 Jan.-Sept.	1974 Sept.	1974 Jan.-Sept.
Imports f.o.b. **	£bn.	1.775	1.864	1.758	1.816	1.694
Exports f.o.b. **	£bn.	1.564	1.486	1.518	1.446	1.263
Visible trade balance	£bn.	—0.211	—0.378	—0.239	—0.370	—0.431
Comm. vehicles*	'000s	32.3	31.2	32.8	37.0	32.0
Cars*	'000s	108	102	106	100	126
		Aug.	July	Jan.-Aug.	Aug.	Jan.-Aug.
Man-made fibres*	m. kgs.	40.77	47.00	45.70	48.46	56.65
Steel (weekly average)*	'000 tonnes	310.0	262.2	391.2	406.1	427.9
Houses completed¶	'000s	22.0	26.9	24.4	20.4	21.7
TV sets‡‡	'000s	144	194	202	199	253
Radios, radiograms ‡‡	'000s	392	345	381	329	460
Bricks*	millions	369	421	407	425	477
Cement (weekly average)*	'000 tonnes	307	333	327	344	350
Furniture†** ...	1970=100	148	152	153	133	136

		1975 July	1975 June	1975 Jan.-July	1974 July	1974 Jan.-July
Raw cotton (weekly av.)	'000 metric tonnes	2.00	2.54	2.05	2.39	2.29
Hosiery*	1970=100	87	87	88.4	100	100.9
Petroleum†	m. tonnes	5.32	5.68	6.83	6.40	7.57
Elec. cookers† f	'000s	79.0	79.0	76.1	49.7	68.7
Washg. mchns.†	'000s	86.7	77.6	87.6	66.5	75.7
		June	May	Jan.-June	June	Jan.-June
Engin. (orders on hand)** ...	1970=100	114	116	119.2	138	137
Raw wools§	m. kilos	10.2	9.3	9.4	11.7	10.3
		May	Apr.	Jan.-May	May	Jan.-May
Machine tools†...	£m.	24.7	24.4	24.9	20.1	18.5
		2nd qtr.	1st qtr.	Year to date	2nd qtr.	Year
Consumer spending	£bn. 1970 values	8.950	9.059	18.009	8.782	35.759
Motor trade turnover	1972=100	145	137	141	122	115
Bldg. and civil engineering * c	£bn.	2.903	2.631	5.534	2.558	4.949

* Production. † Deliveries. ‡ Net sales. § Consumption. ** Seasonally adjusted. †† All manufacturing industries. ‖ Excluding car radios. ‡‡ Deliveries, U.K. made and imported sets. b From May, 1975, onwards new basis of calculation refers to advances to U.K. public and private sector. Historical figures on new basis not available. d Prices. f Including cooker griller toasters. c Value of output. ¶ United Kingdom not seasonally adjusted.

PARLIAMENT

Tory peers yield

BY JOHN HUNT

CONSERVATIVE and Liberal peers last night gave way in the House of Lords and finally passed the Government Bill which lifts most of the surcharges on the 11 Clay Cross councillors, and all surcharges on 400 other councillors who failed to put up council house rents under the previous Tory Government's "Fair Rent" Act.

Amid some of the most heated argument which has been heard in the Lords in recent years, Lord Hailsham, from the Conservative front bench, said that in order to avoid a constitutional crisis, his party had decided that the only course was a "contemptuous abstention" on the Bill.

He described it as a wicked, unconstitutional and odious piece of legislation brought in by the Labour Government merely to help its own supporters who had broken the law by failing to obey the Tories' Housing Finance Act.

The debate broadened out to embrace the whole issue of the clashes between the two Houses of Parliament which has been developing over recent months. At times it seemed touch and go whether backbench peers would force a vote against the Government and bring on a constitutional confrontation.

Lord Carrington, Leader of the Opposition, said that one reason why they were not voting against the present Bill was because they wanted to concentrate on their opposition to the Government over the Press freedom charter in the Trades Union and Labour Relations (Amendment) Bill. His party, he declared, had no intention of giving way on that issue.

For the Government, the Leader of the House, Lord Shepherd, said there was no constitutional crisis between the two Houses at the moment and he still hoped to reach agreement with the Opposition over the proposed charter on Press freedom.

Meanwhile, the feeling from the backbenches seemed to be that despite Lord Shepherd's conciliatory words, the two Houses were on a direct collision course.

The veteran Labour peer, Lord Shinwell, said that the hostility of the Conservative peers was now so great that sooner or later the clash must come. "There is no use delaying it if you are obsessed with this hostility. You might as well have it out now. That is my advice to the House," he said.

He urged Tory peers to vote against the Government if they felt so strongly over the Clay Cross issue. His theme was taken up on the Conservative side by Lord Home, former Tory Prime Minister and Foreign Secretary, and a respected senior figure in his party.

Lord Home argued that the Conservatives ought to vote against the Bill, as it was the most dangerous threat to democracy that he had ever seen in all his years in Parliament.

● The measure, the Housing Finance (Special Provisions) Bill is popularly known as the "Clay Cross Bill." The 11 Clay Cross councillors were disqualified from holding office for five years, and were surcharged for uncollected rent increases in November 1972. These original measures against them are not affected by the present Bill.

It does, however, lift the surcharges to which they would have been liable between November 1972 and the time when the Tory Act was repealed. It also lifts similar surcharges that could be levied on 400 other councillors in 20 local authorities.

In all, a sum of over £1m. is now involved. The Bill means that instead of this sum being met by surcharges on the councillors who failed to implement the Act, it will now have to be met by local council rent payers or ratepayers.

Since the original row over the Act, an extensive reorganisation of local government has taken place. To take this into account, the Bill allows councils to spread the cost of meeting the charges over their entire area or merely in the area where the rent increases were not paid originally.

The Lords had thrown out the main provisions in the Bill, but the Commons put most of them back in. It was sent back to the Lords for final consideration yesterday and will now become law.

A clause allowing for defaulting councillors to be disqualified from covic office for five years remains in the Bill, having survived Government attempts to remove it in the Commons. However, it will not apply to the 400 councillors, as the Bill means that they cannot now be surcharged.

LORD HAILSHAM
"Wicked and odious legislation."

Factories boost for Wales

By Justin Long, Parliamentary Correspondent

TWENTY-TWO new factories costing £3.25m. are to be built in Wales, Welsh Secretary, Mr. John Morris, announced in the Commons last night.

It is envisaged that 14 of the new factories will be used to house incoming industry at sites which include Shotton, Wrexham, Rhondda, Cardiff, the Gwent area, Bangor and Anglesey.

Consideration will also be given to the need for more factories in other parts of Wales when the likely demand can be better judged.

The proposals mean that a further 250,000 square feet of advance factory space is being offered, bringing the total of Government financed factories approved in the past 19 months to 94, and floor space to over 900,000 square feet.

Mr. Morris claimed that the new programme would provide a "major boost" for Wales.

Moves to counter 'lump' tax loss

ACTION TAKEN by the Treasury to stop the "heavy loss of tax" which has resulted from the use of forged and stolen revenue certificates used by sub-contractors in the building trade —the "lump" — were outlined by Mr. Joel Barnett, Chief Secretary to the Treasury, in the Commons yesterday.

He told MPs that the Inland Revenue has asked sub-contractors to supply photographs when they apply for sub-contractor tax certificates, and that the certificate itself is being completely redesigned so that it cannot be easily used by anybody but its proper owner.

Mr. Barnett recalled that it was the Heath Government which introduced the tax certificates in 1972, with the intention that they should be held only by responsible sub-contractors who could be relied upon to pay their tax at the end of the year.

But experience had shown certain weaknesses in the original scheme. "In particular," he said, "It has proved to be very easy to forge or alter the certificate, and since it does not contain adequate identifying information, very often a contractor cannot tell whether a certificate presented to him is genuine and relates to the individual presenting it."

As a result, stated Mr. Barnett, the scheme was not achieving its purpose. "There is a heavy loss of tax by the use of certificates — some forged, some stolen — by dishonest sub-contractors, who subsequently disappear. Apart from the loss of tax itself, this is a situation which encourages organised criminal activity."

Mr. Barnett maintained that the best way to enable the contractor to check that a certificate had been presented by the right person was to have a photograph on it, and he emphasised that this purpose of identification was the sole reason for the photograph.

Devolution White Paper for Chequers approval

BY RICHARD EVANS, LOBBY CORRESPONDENT

THE GOVERNMENT'S devolution proposals, expected to be published in a lengthy White Paper in mid-November, are so complex that Ministers are considering drafting a popular version at the same time.

The final draft of the White Paper, which some Ministers regard as the most fundamental constitutional document this century, is expected to be approved by senior Ministers at Chequers to-day.

The key question after a spate of rumours that the legislation might have to be delayed because of Parliamentary difficulties and growing anxieties inside the Cabinet, is when a Bill will be introduced.

One had been promised for the New Year, and Ministers admitted yesterday that legislation would have to be introduced well before Easter to have any chance of reaching the Statute Book in the coming session.

One authoritative estimate that the Bill would require 28 days' debate would mean preempting 12-14 weeks of Commons business, leaving little room for anything else.

Only now is the magnitude of the Government's devolution commitment being brougnt home to Cabinet members not so far directly involved.

They have apparently been appalled at its complexity as well as the dangers of a certain degree of devolution escalating into a demand for total separation.

MP pays tribute to bomb victim neighbour

Vigilance by public still needed, says Jenkins

THE "INNOCENT VICTIM" who died in yesterday's London car bomb explosion had contributed more to the saving of human life perhaps than anyone in the whole medical profession, Mr. Hugh Fraser (C., Stafford and Stone) said in the Commons yesterday.

Mr. Fraser, whose car was blasted by the bomb, was cheered as he paid tribute to Professor Gordon Hamilton Fairley, victim of the explosion.

Mr. Fraser said that Professor Fairley, his neighbour, had probably done more for cancer research in this country than any other man.

In a statement, Mr. Roy Jenkins, Home Secretary, called for the whole-hearted co-operation of all to combat and not be intimidated by the viciousness of terrorism.

The bomb attack outside Mr. Fraser's home showed the need for continued vigilance by members of the public.

Mr. Jenkins said: "I am sure the House will wish to join me in expressing sympathy to the family of Professor Fairley and to all those close to the incident, including Mr. Fraser.

"Police and emergency services behaved with great courage and efficiency in the responsibilities placed upon them." But the task facing them demanded the "whole-hearted co-operation of each of us to combat, and certainly not to be intimidated, by the viciousness of terrorism."

Sir Brandon Rhys Williams (C., Kensington) asked: "Can you confirm that this was not just a blind act of terrorism but the deliberate attempt on the life of a Member?"

Mr. Jenkins replied: "I would find it rash to confirm or to deny that statement. Clearly we are all aware, and take note of the fact that this was close to our affairs in this House because of where it occurred."

Mr. Fraser was cheered when he rose to question the Home Secretary. He said: "I thank the House, and the Home Secretary for what he said. I think we can all agree that every politician in this House, from whatever party is at risk, and all parties are determined to extirpate terrorism, whatever the cost."

Liberal leader, Mr. Jeremy Thorpe, said that Liberals would like to be associated with the expressions of sympathy for family of Professor Fairley.

The Old Bailey life senten[ce] indicated that police wo[uld] "spare no effort to track do[wn] and bring to justice th[ose] responsible for terrorism." [The] police would depend on ev[ery] piece of possible informat[ion] being transmitted to th[em] urgently if they were likely [to] have a chance of bringing [to] justice those involved.

Mr. Jenkins replied that police were already, in this, every case of terrorism, "de[vot]ing every possible effort in t[he] task of tracking down perpetrators."

'False and malevolent'

THE DAILY EXPRESS was attacked by Mr. Roy Jenkins, Home Secretary, in the Commons yesterday for publishing what he called "one of the most false, irresponsible and malevolent Press reports I have ever seen."

Mr. George Strauss (Lab., Vauxhall) had said that the front-page story in that day's Daily Express claimed that the Government had issued orders to the Attorney-General and the Director of Public Prosecutors that there should be no more conspiracy trials.

Mr. Strauss added that the article said this was frustrating the police in arresting and charging those they believe to be responsible for bomb outrages.

Mr. Jenkins replied: "The article on the front page of the "Daily Express" today is inaccurate in fact and wholly misleading, and, I feel, mischievious in inference.

"No pressure of any kind was brought by the Prime Mini[ster] or myself, or any o[ther] Minister upon the Attor[ney] General or the Director of Pu[blic] Prosecutions in relation to of the matters referred to the article."

Mr. Jenkins said distinguis[hed] counsel appearing for prosecution were consulted the DPP at a very early s[tage]. "Throughout the pareparatio[n of] the case, the Director fully [con]curred with and followed advice which counsel gave."

Mr. Jenkins said that article contained a most gla[ring] contradiction even on the f[ront] page. In one column, it there were to be no conspi[racy] charges, and in another co[lumn] reported a conspiracy co[nvic]tion.

In view of the grave al[lega]tions made about political i[nter]ference with the conduct [of] prosecutions, the Attor[ney] General intended to make a and detailed statement on matter early next week.

A surfeit of negatives

BY PHILIP RAWSTORNE

THE COMMONS was positively confounded yesterday by Mr. Harold Wilson's negatives.

It seemed there was literally nothing he would do to satisfy the varied demands that MPs made upon him. No meeting, no task, no responsibilty that he was willing to undertake.

A Cabinet meeting and an audience of the Queen—those were his engagements for the day. And he had no intention of getting engaged in anything else.

No, Mr. Wilson told Mr. Norman Lamont (C., Kingston), he had no plans to meet the Governor of the Bank of England to discuss the "deep concern" about the public sector borrowing requirements.

No, he informed Mr. Michael Latham (C., Melton), he could not say whether the Cabinet had discussed public expenditure.

"When the Prime Minister sees the Queen would he remind her . . ." Mr. Dennis Skinner (Lab., Bolsover) intervened—only to have his question negated by the Speaker.

"Will he consider putting to her at some stage . . ." Mr. Skinner tried again. No, no, said the Speaker, that was not a subject for questions.

But it takes more than that to nullify Mr. Skinner. Instead of going to the Palace, he demanded, would Mr. Wilson do something about the "antics of the Tory geriatrics" in the Lords.

"There is . . . no Ministerial responsibility, I am happy to say," responded the Prime Minister.

Cheerfully rejecting requests for the appointment of a new Scottish Office Minister, denying responsibility for Press reports of delays in devolution, Mr. Wilson did agree to accept a question from Mrs. Margaret Thatcher, the Tory leader.

Would he take some ac[tion] on the Price Commissi[on] report which showed that p[rice] increases in the national[ised] industries were rising hi[gher] and far faster than in private sector? she deman[ded].

No, said Mr. Wilson—the at rather greater length. Government, like the last T[ory] Government, was insisting public sector charges sh[ould] reflect costs.

In a final desperate bi[d to] secure an affirmative, Michael Brotherton (C., Lo[uth]) invited the Prime Ministe[r to] visit his constituency.

No, replied Mr. Wi[lson] politely. Nor would he be [per]suaded by Mr. Brother[ton's] appeal to hear the Louth [elec]torate's views on ca[pital] punishment for terrorists.

"It is not my task to round Conservative constit[uen]cies to see what the pe[ople] think when they are i[nade]quately represented here,' declared.

NEB powers restored to Bill

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

THE CONTROVERSIAL Industry Bill completed its passage through the Commons in the small hours of yesterday morning, after a series of divisions had stripped it of all the major Lords amendments designed to clip the powers of the proposed National Enterprise Board.

A guillotine on further debate and the Government's majority in the Commons ensured a final showdown on the legislation next Thursday when the Lords must decide whether or not to acquiesce in the rejection of their amendments by the elected Chamber.

But a number of Labour MPs warned the peers that they could provoke a constitutional crisis by continuing to oppose the will of the Commons.

Former Industry Minister, Mr. Eric Heffer, roused loud Left-wing support when he dared peers to do so and thus bring about an occasion for abolishing their House.

Tory MPs sat grimly silent under these challenges, and in the divisions that followed it was noticeable that resistance to the Bill slackened. The Government's first majority was 12, but in successive votes it rose to the 20s and in the string of final divisions it reached a high point of 44.

Mr. Michael Heseltine, "shadow" Industry Secretary, also took a less belligerent stance at one point in the debate. This was when he appealed to all political parties to sink their differences in a new effort to reach agreement on a common policy for restoring the economy.

But the Government had its own way. First, it scrapped the provision inserted by the peers to deprive the NEB of powers to set up new industrial enterprises and to form new companies.

Nex, Ministers deleted the amendment to prevent the NEB from extending public ownership into profitable areas of manufacturing. The dilution by the peers of the concept of "industrial democracy" as defined by the Government was removed.

Lords amendments dealing with the disclosure of information were also deleted. These deletions disposed of the peers' proviso that company information need not be given to an area trade union representative who did not work for the company. The provision on the disclosure of information to shareholders was rejected.

In addition, the Government majority removed the Lords proposal for an appeal comm[ittee] rather than an advisory [com]mittee, for dealing with dis[agree]ments over requests for con[fidential] information.

On the other hand, the [Gov]ernment retained a numb[er of] amendments — ones which [had] been sponsored by Ministe[rs in] the Lords or changes reg[arded] as improvements and mostl[y out]side the "crucial" areas [of the] Bill.

P.O. must m[eet] deficit payme[nts]

THE GOVERNMENT has [deci]ded that the Post Office [must] meet the deficit contributi[ons to] its pension fund from its [own] resources for 1975-76. Thi[s was] announced in the Common[s yes]terday by Mr. Gregor Macke[nzie,] Minister of State for Indust[ry].

He told MPs that no de[cision] had yet been taken in r[espect] of future years.

North Sea oi[l]

ARRANGEMENTS for the licensing round for North S[ea] will be announced early [next] year, Mr. John Smith, [Under-]Secretary for Energy, stat[ed in] the Commons yesterday.

Shore faces pressure for import controls

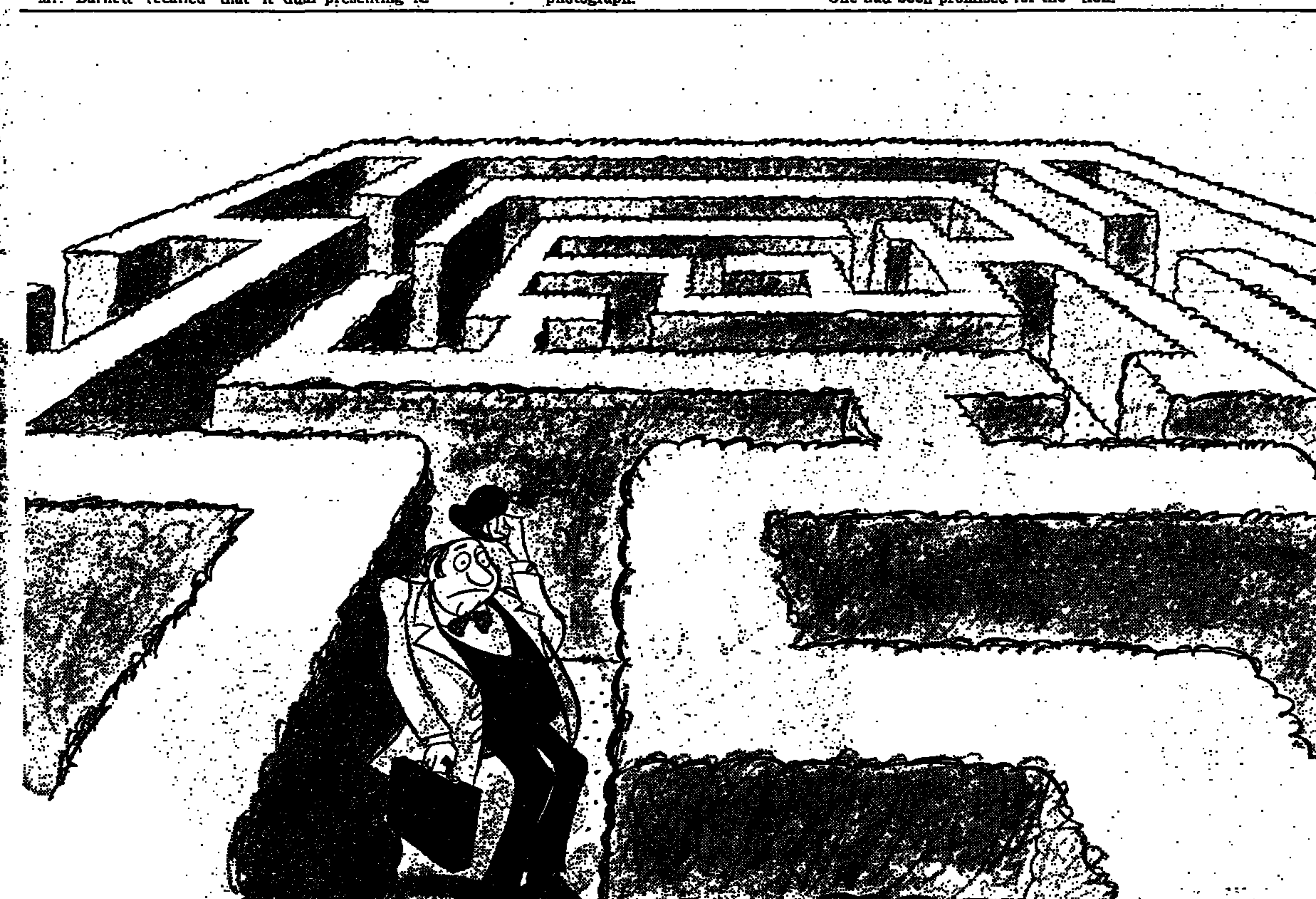
BY PHILIP RAWSTORNE

THE GOVERNMENT seems likely to come under further pressure for the introduction of selective import controls at a special meeting of the Parliamentary Labour Party which has been called for November 5 to discuss the economic situation.

Mr. Cledwyn Hughes, chairman of the PLP, said last night that the party's liaison committee had been "very impressed" by the case for controls on imports of footwear put to it by a delegation led by Mrs. Mauren Colquhoun, MP for Northampton North.

He said that the committee had invited Mr. Peter Shore, Secretary for Trade, to a meeting next week on the issue. The question of controls in other fields such as textiles and television tubes would also be raised.

The PLP has also called a meeting next Wednesday to discuss the question of cash limits on local authority expenditure. The meeting will be attended by Mr. Anthony Crosland, Environment Secretary, and Mr. Joel Barnett, Chief Secretary to the Treasury.



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The Marketing Scene

INSTITUTE OF MARKETING AWARDS

Courting the customer

BY ANTONY THORNCROFT, MARKETING EDITOR

HIS WEEK the Institute of Marketing announced the three winning companies for its annual Marketing Awards. Among the larger operations, with a turnover in excess of £10m., International Computers was judged to have made the most impressive application; in the middle band, companies between £2m. and £10m. Rexel was chosen; and below £2m. Nissen International Sports Equipment) was successful.

All three companies shared a characteristic — they endeavour to get close to their customers through demonstrations and conferences rather than rely on advertising their goods.

ICL won because of the performance of its 2903 small computer which was introduced two-and-a-half-years ago and of which 240 have already been sold, as against the initial target of 800. It is a small computer, costing from £25,000 upwards, and notable for its flexibility.

Mr. S. D. Vaughan, Marketing Director of Rexel.

The main marketing characteristic introduced by ICL's worldwide marketing director Peter Ellis was the establishment of customer centres where potential buyers could come along and try out the new machine. There are now 37 such centres and six are in the U.K. Companies get to know the 2,903 and see if it suits their needs. Their staff are trained, so that if they buy it there should be fewer teething problems. The 2903 was the result of a special market development department

Peter Ellis, Marketing Director of International Computers

set up to design products according to customers' requirements — the key to successful marketing.

Over 60 per cent. of the sales of the 2903 have gone abroad and is a major factor in pushing up ICL's profits four times to £12m. It is the company's best selling line and the biggest European computer system. It has been so successful that a new version makes its appearance in the customer centres next week.

The winner among the medium sized companies was Rexel, the star performer in the Ofrex group of companies. Rexel may not be an immediately familiar name but one of its products could well be within your stretching distance: the company is the largest supplier of office stapling equipment, a £10m. business. Rexel does not confine itself to stapling. It has diversified into filing, pioneering the PVC file under the Nyrex brand name to replace the increasingly expensive old Manila file.

Obviously a file is a file and a stapling machine is a stapling machine, and Rexel won its award by bringing marketing into a less than brand aware industry. It introduced the "56" range concept, a whole battery of staplers which managing director Alan Wylie claims can "handle 92 per cent. of all stapling tasks."

But it is in the publicising of its products that Rexel scores. It organises demonstration evenings for the staff of its customers, who cover retailers, wholesalers, and distributors, gathering them in at every level from managing directors to 16-year-old shop assistants, and making them Rexel range-conscious over an informal drink. The evenings are not all hard sell, and take in topics like marketing theory as well as information on the products. It is all covered by the slogan "Partnership in Progress," with the aim of getting your buyers to be your best sellers.

The exercise takes place world-wide, since Rexel exports 42 per cent. of its turnover. A small company can find it hard going, distributing to a 166 countries, and many link-up with a larger exporter. But in this case the roles are reversed and Rexel has taken on the agency of a bigger company; it is handling the export marketing of English Numbering Machines, a subsidiary of Rank Industries.

Nissen International, which won the minnows section, bears all the characteristics of a small company—it reflects the personality of its ebullient managing director Ted Blake. It is a folksy company, fond of sayings like "we are still more of a large acorn than an oak" and "the customer is not always right but only he has the right to be wrong," and it has increased its profit over four times in the past five years to £160,000.

Nissen is the subsidiary of an American company which in its turn is part of Victor Comptometer. It is in the sports equipment area, in particular table-tennis equipment, and has expanded on the boom in sports centres. Indeed, it has just sponsored a Sports Centre of the Year Award.

It is at the top end of the market and does not deal with the retail trade, which tends to stock smaller and cheaper sports goods merchandise. To avoid a recession in the U.K. market Nissen exports exports 42 per cent. of its production. Much of Nissen's marketing is done at conferences, in particular the annual National Recreation Conference where it captured the attention of the 500 delegates (all potential customers) with an audio visual presentation entitled "Mistakes I have made as a manager in the recreation business."

Bill Fletcher, Sales Manager of Nissen International

COMMERCIAL RADIO IS TWO

Message is getting through

BY ANTONY THORNCROFT

IT IS two years now since the first, hesitant, land-based commercial radio stations appeared in the U.K., in the London area, at the height of the advertising boom. All too soon the advertisers' initial interest in the new medium, stimulated by the difficulty in getting advertising exposure in other media, faded, and commercial radio hit a bad patch. Now it has settled down to a subsidiary, but mercifully prosperous, role in the British advertising scene. By next spring the original 19 stations will be broadcasting and then there will be a pause until Annan reports.

This year expenditure on the 15 stations already on air (to be joined this month by Radio Orwell serving Ipswich) will be close to £10m. In the first nine months over £5m. was invested, and October looks very good. Capital Radio, for example, reports that it is attracting more than £300,000 in this month alone, a best performance ever, apart from its first month.

The encouraging feature is the general well-being. There are one or two problem stations, notably London Broadcasting, but some of the smaller stations which have recently appeared, such as Swansea Sound, have done as well, or better, than those serving the major conurbations.

The star station is still Radio Clyde in Glasgow which along with all the others, has just completed, on September 30, its financial year, in this case its first full one. With a gross revenue of over £1m., Clyde has covered its initial operating costs and intends to pay its shareholders a small dividend.

On the income side things get steadily better: on the audience side listening has settled down, but at a level which the station claims is well in excess of anything the BBC stations can attract in Glasgow. Managing director James Gordon says that in a given week over 44 per cent. of the total radio hours tuned into are captured by Radio Clyde. Only Swansea Sound can better this performance.

Clyde gets two-thirds of its income from national advertisers, and this is typical among the larger stations. In contrast the smaller operations, like Swansea, rely more on the local advertisers. It seems a shop is prepared to pay £7 for a spot on Swansea, but not invest £21 for a similar spot for a bigger station, like Radio City in Liverpool.

To celebrate its second anniversary last week, Capital Radio in London unveiled new research by Marplan which showed it has overtaken Radio Two in popularity in the London area, with a 22.1 per cent. share of the audience, second only to the 25.9 per cent. credited to Radio One. These figures suggest an audience gain of over a quarter since the last official radio research by RSGB in May.

Capital had a revenue of about £2.1m. in the financial year just completed, and expects to move into profit in the next 12 months. In contrast, the London news station, LBC, still sells time at generous discounts and its revenue of around £700,000 (of which £300,000 comes from selling news to other stations) is well below its total costs. For the moment the Canadian company Selkirk Holdings seems prepared to trust in the station's eventual success, and is pumping in cash.

Most of the other stations report an improving financial position in contrast with the hard times being experienced by the Press. For example, Piccadilly Radio in Manchester has joined Clyde in making a profit in the last year, and its advertising continues to increase. There are still problem areas in radio, in particular the big packaged goods companies are slow to invest, but in the main it is an encouraging story.

A couple of major advertisers are close to making deals which will involve them spending over £200,000 in radio next year, and a change last week on the production side should make radio more attractive to smaller advertisers; in future the stations will accept tapes of commercials and convert them to cartridges themselves. This will save agencies and advertisers around £6 on a commercial, a big gain when individual advertising spots can cost less than £10.

Agency news

● BACARDI, which holds around 80 per cent. of the white rum market, is switching its £300,000 advertising campaign out of J. Walter Thompson, which has developed the business for 13 years.

● ABH (formerly Charles Barker) has been appointed to handle the advertising for Mecca Bookmakers.

● THE total net advertisement revenue for the Independent Television Companies during September was £15,072,425, after deductions of all agency commissions and discounts.

● COCA-COLA has switched its advertising from one Interpublic agency to another. From January 1 McCann-Erickson, which handles Coca-Cola in most of Northern Europe, will be responsible in the U.K. rather than Wasey Campbell Ewald. This agency will look after other brands, such as Tab, Lilt and Fanta.

● YOU can now buy the 16 sheet poster sites which face you across the tracks at London Underground stations in 150 site packages rather than on a random distribution basis. Each package allows in any one day 70 per cent. of Underground travellers to see the campaign.

● VERNONS has been appointed to handle the Pernod U.K. account with effect from January 1. Spending on advertising is expected to be about £150,000, substantially more than in 1975. Pernod is one of the fastest growing drink products in the U.K., with sales increasing from 45,000 cases in 1972 to more than 200,000 cases this year. The account was resigned by Saatchi-Saatchi after it merged with Comptons.

● PAUL Wilmot is joining Roe Humphreys London agency as creative director next month. He was previously with McLarens, who have appointed two new joint creative directors, Barry Smith and Bill Atherton. They join the agency from French Gold Abbott Kenyon and Eckhardt.

● F. WILLIAM Free has been appointed to handle the Black Velvet Canadian Whisky account. Black Velvet is distributed in the U.K. by Gilby Vintners. Free also has the U.S. account.

● THE pharmaceutical division of ICI in Cheshire has appointed Royds Manchester to handle the advertising of its medical products in the U.K. from January 1.

● SELLOTAPE Products is diversifying into the £4m. draught excluder market, and is financing the first advertising campaign in this business for six years. It is attracted by the growth in draught excluder sales following the energy crisis.

Bernstein for Admap

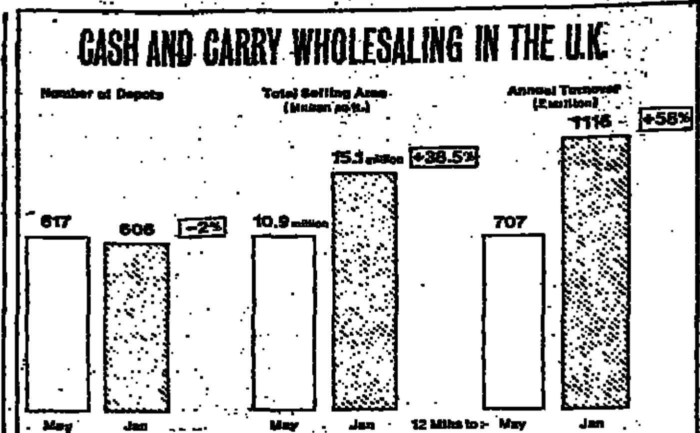
THIS month's issue of the media magazine Admap is not an ordinary issue. It is dubbed a "Creative Research" edition and to ensure the fact David Bernstein of the Creative Business was asked to be the guest editor. Among the contributors are Denis Norden, David Abbott, David Bernstein—provocatively knocking current research practices—Ann Burdus and Alan Hedges.

There is also an article by Stephen King of JWT which puts forward a "theory of advertisements," which takes various ads. and discusses the very different aims behind them. He comes up with numerous types of advertising—direct, seek information, relate to own needs, recall satisfactions, modify attitudes, reinforce attitudes. It is a modest contribution towards a theory of advertising but at least it is readable.

An £850m. meat bill

IN THE first half of this year U.K. households spent around £850m. on fresh meat. The total includes poultry, but excludes cooked meats, pies, sausages, bacon, beefburgers, canned meat, etc. This is the first data from a new research service by Gordon Simmons Research.

There was some social bias, but not all that much—ABC1s, who account for 34 per cent. of households, bought 39 per cent. of the meat. On average £2.30p worth was bought each week, and beef was the most costly purchase, accounting for 41 per cent. of the total. Next came lamb and mutton, with 17 per cent.; pork 15 per cent.; and chicken 13 per cent.



The £1,110m. depot

CASH and carry turnover in the year ending last January was £1,116m. according to a new A.C. Nielsen survey. In the three years since the research company's last investigation turnover has risen by 58 per cent. There has been a slight decline in depot numbers to 606, as the smaller operators disappear, but the selling area has jumped markedly to a total of 15m. square feet.

The average cash and carry depot has a weekly turnover of £35,500 from a selling space of 25,000 square feet. Its weekly turnover per square foot is £1.42; its number of check outs four; it has 79 parking spaces, and 25 employees. In practice the variations are great, with 41 per cent. of the depots having a turnover of less than £1.2m., while at the top end 17 per cent. do more than £2.8m. of business in a year.

Over three-quarters of the depots have separate catering sections, a lower figure than in the 1972 survey, suggesting a re-appraisal of warehouse layout. Other changes in stocking policy are an increase in frozen foods, handled by 91 per cent. of depots; liquor (75 per cent.); hardware (73 per cent.); and textiles (72 per cent.). In contrast fresh fruit and vegetables have been dropped by many operators.

Virtually all warehouses do some advertising and sales promotion, with 84 per cent. using a mailing shot, 52 per cent. Press advertising, and 25 per cent. in-depot announcements. A.T.

A Costa lager

BY JAMES ENSOR

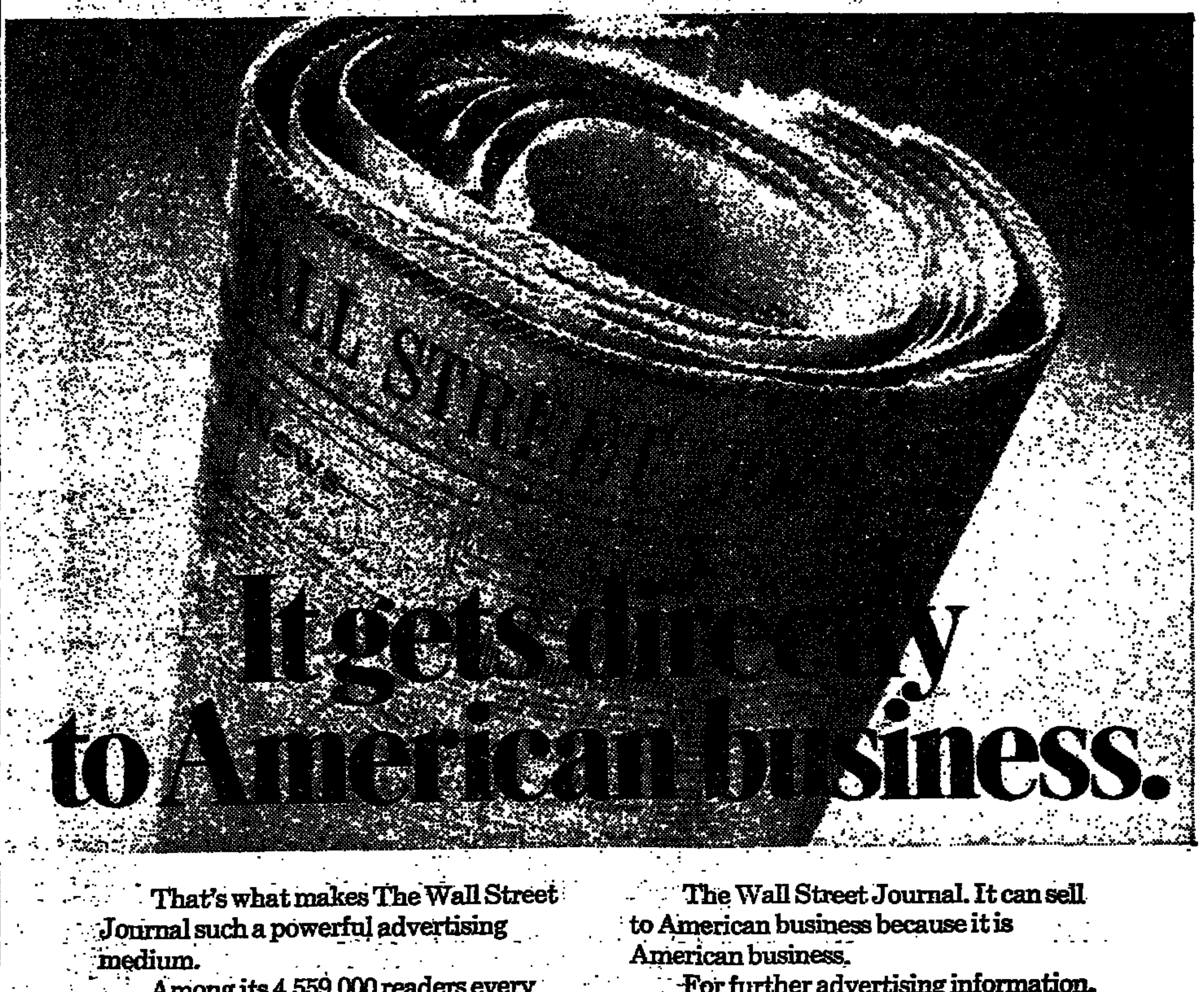
LAGER, to Britons at least, has a predominately Scandinavian connotation. Even those brewed in Britain are given names like Skol and lagers from other producing countries such as Belgium, Germany and Czechoslovakia have made relatively little headway.

Now York Overton (Shippers) a subsidiary of the private Priory Securities, is trying its luck with the Spanish market leader San Miguel. Initially, the promotion will be concentrated on the London area and Mr. Eric Williams, a former editor from the grocery trade press, who heads the importing company reckons it will do well on its nostalgia value.

He argues "The number of people going to Spain on package tour holidays shows no sign of diminishing and the brand recognition from those who have spent time in Spain is amazingly high." He disclaims any worries about boycotts on Spanish goods, with the conviction that people do not mix politics with business.

A more serious worry perhaps is price. For San Miguel will be marketed at about 59p for a pack of three, putting it in the premium price class with Lowenbrau and Carlsberg Special.

While the lager is strong — twice the average of British-brewed lager — and has a good flavour — due to the Czech hops — it is likely to be too expensive to appeal to the package-holiday customers who know it from cheap drink Spain. The Spannish brandy El Fundador, launched on the same premise that what sells to British tourists in Spain will sell in Britain, does not provide an encouraging precedent.



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FRIDAY, OCTOBER 24, 1975

Consumers and spending

THE LATEST official estimates of consumer spending suggest that it may have fallen another ¾ per cent. in the third quarter to a level nearly 2¾ per cent. below the first-quarter peak. This is not unexpected. In the first place, it was already known that the volume of retail sales (which account for rather under half total personal expenditure) fell by 3.1 per cent. in the third quarter to a level 3.6 per cent. lower than that of the first; the sharp pre- and post-Budget rise in sales on durable goods was followed by a slump from which there has been little recovery. In the second place, the index of gross earnings has recently been rising more slowly than that of retail prices: the fall in net disposable income must have been greater still and the savings ratio seems to have fallen only slightly from its high level.

What happens to real purchasing power in the months immediately ahead will depend not only on the level of unemployment, which seems likely to continue rising for some time to come, but on the behaviour of prices and wages. The Price Commission is fairly optimistic in its latest quarterly report, pointing out that it has yet to consider a single case of a price increase involving a pay settlement above the £6 ceiling and that there is evidence, however slender at the moment, that the rate of inflation is slowing down.

Pay limit

This evidence consists largely in the slower rate of growth during the past few months both in the index of retail prices and in that of wholesale prices. But the report also points out that the full effect of the large pay increases granted in the spring and early summer has yet to work its way through to the consumer and that the recent sharp increase in the prices paid by industry for fuel and raw materials, especially in the case of foodstuffs, gives some ground for future concern. Even if we are over the peak, as the Chairman believes, this may not become obvious in the published statistics until the spring of next year, when the £6 pay limit should begin to make itself felt—not to mention the fact, of which the Commission is strongly critical, that deficits and consequential price increases in the nationalised sector of industry are still getting worse while the position in the private sector is improving.

The Commission's basic reason for confidence, however, is that the growth of its own price notification index is still slowing down markedly and that the £6 pay limit will eventually bring about a sharp reduction in the rate of increase of domestic production costs. This, in turn, will help to prevent a further deterioration of the exchange rate and so end one important factor in the rising cost of raw material prices. That is very much what the Government itself is hoping. The main problem, from this point of view, is to keep the voluntary pay limit effective despite falling living standards until the growth of prices is coming down according to expectation.

Public sector

But the Government has a long-term problem, as well as this immediate and (it is to be hoped) transitory problem to face. Once output begins to recover, it will be important to recognise that in the case of private sector consumption, as in that of private sector investment, the present level of public expenditure is a major obstacle to growth: what the public sector spends, the private cannot. One key strand in our recent skein of inflationary troubles is the attempt of central and local government to expand their spending programmes at a faster rate than working people as a whole are willing to finance out of taxation on their own incomes.

It is clear that people of all income groups liable to direct taxation want to keep more of their earnings to spend or save for themselves, rather than receive their fruits indirectly without choice and after a heavy deduction for administrative costs as a so-called social wage. If Ministers in general are not yet ready to accept a fact which runs so counter to traditional Labour prejudice in favour of public sector spending, the present attempt to bring inflation under control will have no more than a short-lived effect.

Detente and the Chinese

THE PRINCIPAL American interest in China is to ensure that there is no Sino-Soviet rapprochement and that China itself remains strong enough to dissuade the Russians from attacking the West for fear of leaving themselves exposed in the East. The principal Chinese interest in the West is very similar. It is to prevent East-West detente, and especially U.S.-Soviet detente, going so far that the Russians may think they can get away with an attack on China with impunity.

Balance

That is no doubt what Dr. Kissinger meant when he said at his farewell banquet in Peking on Wednesday that China and the U.S. had ended their estrangement because of the manner in which they perceived their national interests, and that their relationship would be nurtured by respecting each other's views regarding these national interests. There is nothing subtle or Machiavellian about this. It is a straightforward assertion of the balance of power, which is perhaps the only effective way of regulating relationships between the U.S., China and the Soviet Union.

Yet something seems to have gone wrong. The speech at the same banquet by the Chinese Foreign Minister, Mr. Chiao Kuan-hua, was short almost to the point of rudeness. There were frequent signs of disagreement about Soviet intentions, and there were times when Dr. Kissinger received the same sort of brusque treatment that was extended to President Giscard d'Estaing by the Russians in Moscow last week.

The known evidence suggests that Sino-Soviet relations are still as bad as ever. The polemics continue in every conceivable forum. There has been no lessening in Chinese support for a strong Western Europe as a bulwark against the Russians. Mr. Edward Heath was received with full honours only a few weeks ago; so was Herr Franz-Josef Strauss of West Germany. Chancellor Helmut Schmidt is to go to Peking next week and will be accorded the unusual honour of a visit to Sinkiang. The message is always the same, even if it has recently become more strident in tone: the guard against the Russians must be maintained.

It is possible that the Chinese think that the Americans do not take the warnings sufficiently seriously. Certainly they seem to have criticised the extent of U.S.-Soviet detente in the talks with Dr. Kissinger this week. If what they mean by this is that U.S.-Soviet relations are at a turning point, they are probably right. The main focus of these relations in recent years has been the strategic arms limitation talks (SALT). It is now conceivable that these will break down. It is also likely that after more than a decade the rule of Mr. Brezhnev is coming to an end. Mr. Brezhnev seems almost to have invented detente, even if what he meant by it was no more than negotiation from strength. Inevitably U.S.-Soviet relations will enter a new phase with his departure whether there is a second SALT agreement or not.

Ford visit

Yet what is so curious about the Chinese position is that they do not seem to appreciate that the U.S. attitude to the Russians has already hardened. The policy of detente, almost at any cost, pursued in the last days of President Nixon has given way to the greater realism of President Ford and the greater influence of Dr. Schlesinger at the Pentagon. If the Chinese need to be convinced of this, then President Ford's visit to Peking later this year—the omens for which are otherwise bad—could still serve a useful purpose.

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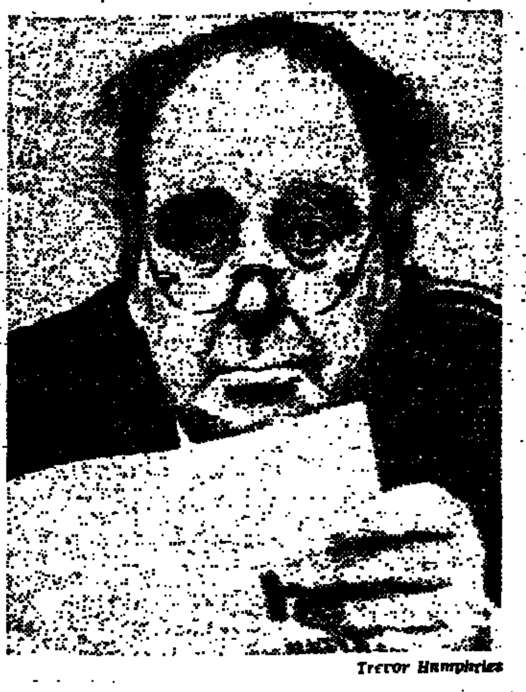
David Watt explains the differing views in the debate which has divided the Lords and the Commons

Press freedom and the law: a guide to the issues

THE "Press freedom" issue, which is at present in the news, arises because the Government is attempting to restore to trade unions (and in some respects even to enhance) the freedom to organise closed shops—a freedom which the last Conservative Government had curtailed by the Industrial Relations Act of 1971. After the passage of the Trade Union and Labour Relations (Amendment) Bill, which is now in its final stages, a person who refuses to join a particular union specified in a membership agreement between a union and an employer can once again be dismissed without any statutory redress. Such a person will have the right of appeal to a review committee set up by the TUC but will not have a clear legal remedy against his employer.


Leonard Burt


Trevor Humphries

Leaders of the opposing camps in the Press freedom debate: Mr. Michael Foot (left), Secretary for Employment, and Lord Goodman (right), chairman of the Newspaper Publishers Association.

Prior to 1971, newspaper publishers and editors had faced the theoretical prospect that the closed shops already operated by the printing unions might be matched by the journalists throughout the newspaper industry. (Some closed shops already existed.) But it seemed a fairly remote contingency. Events in the past four years, however, have changed matters. The economic climate and the depressed state of the newspaper industry have been accompanied by (a) a greater degree of union activity and union membership among journalists, (b) a great increase in the strength of the National Union of Journalists in relation to the less militant Institute of Journalists, and (c) an increase of militancy within the NUJ.

THE PROSPECT IN THE COURTS

	A Editor forced to join NUJ	B Journalist refused membership	C Access Case
Foot (before amendment)	most unlikely to win	unlikely to win	most unlikely to win
Foot (as amended)	unlikely to win	fair chance of winning	unlikely to win
Goodman (latest proposals)	fair chance of winning	near certainty of winning	fair chance of winning

Might exercise its power

The real chance of an NUJ monopoly among working journalists has caused fears that the union might exercise its power to induce managements to agree to the closed shop and then to control the material which newspapers publish—by exerting discipline over editors or by excluding certain kinds of journalists from membership, or by excluding non-members from access to the public print. The present argument is between those, like Lord Goodman, who believe that this potential threat is so serious and of such public importance, that it requires the erection of special legal safeguards to prevent its ever being carried out; and those, like Mr. Michael Foot, the Secretary for Employment, who believe that the application of the law in this area, as in others, is dangerous and unnecessary.

In the course of the last nine months, during which the Trade Union and Labour Relations (Amendment) Bill has been passing through Parliament, the two sides of this argument have moved closer together. Mr. Foot, who started off from the position that the Press was in a position no different from any other industry and that it would be discriminating against the NUJ to curtail its activities by rules which did not apply to other unions, has now recognised that the Press — and by implication the NUJ — indeed constitute a special problem. Last week the Government, under pressure from some of its own moderate back-benchers, accepted an amendment to the Bill and agreed to set up guidelines for a code of practice to be agreed between the journalists' unions and the newspaper publishers.

The Government itself has now proposed that a body should be set up to hear complaints under the proposed charter. For his part Lord Goodman has now abandoned his original attempt to create a special class of statutory "wrong" in the Press field for the breach of which trade unions could be sued.

After these shifts in position it is now agreed, however grudgingly, that political and practical realities dictate the elaboration of a Press charter which: (a) gives some prospect of real protection to editors from pressures which might arise from the closed shop; and (b) does not appear to breach the immunities which trade unions have enjoyed, for the purposes of combining, for most of this century.

The difficulty is to find a way in which both these criteria can be satisfied simultaneously. The problem may be illustrated by three hypothetical cases. In the first case (case A) an editor is informed by his NUJ branch that he must not only join the NUJ (as opposed to any other union or to none) but must submit to its policy and discipline. In the second (case B) a journalist is expelled from the union or, wishing to work on a particular paper, is refused membership of the NUJ but informed that he cannot get a job without it. In the third case (case C) an outside contributor, having agreed with the editor on the publication of an article, finds it "blacked" by the NUJ either because he is not a member or because the union objects to its contents.

If the Trade Union and Labour Relations (Amendment) Bill had gone through in the form that the Government first introduced it there would would have been no real restraint in case A or case C, apart from the goodwill and self-imposed moderation of the NUJ. The Union claims that these can be relied upon and points out that its members recently rejected the closed shop in a postal ballot (whose decision can be reversed only by another postal ballot) and specified that editors shall not be compelled to join. The reply of the publishers and editors is that this is all very well for the present but that the past history of the NUJ has shown that things can change very rapidly which is why, in their view, there must be some permanent safeguard against backsliding.

In case B—the example of the journalist expelled or refused admission—there might be a possible recourse to law even if the Bill had gone through unamended. The journalist would have been unable to sue the union for damages, but might have applied for an injunction under common law stating that the union had acted beyond its powers or in contravention of the rules of natural justice.

This is a hazy and uncertain branch of law but the judgments of the Court of Appeal in two fairly recent cases* suggest that the judiciary (and particularly Lord Denning) are tentatively beginning to circumvent the statutory immunity of trade unions by asserting a common law "right to work." This principle at present undermines the rigours of the closed shop only where union powers have been exercised arbitrarily or capriciously or without due process within the union rules but it is possible that it could be extended in time. It is also possible that it could be extended under certain circumstances to case C, if the contributor could show that his livelihood was threatened by being banned. But in either case B or case C the redress would be so uncertain as to be virtually worthless.

What has now been agreed by Mr. Foot is that the uncertainty of this recourse to the common law should be somewhat reduced. The Press Charter to be drawn up by agreement between unions and publishers is to include "the application of union agreement to journalists (and in particular the right of editors to discharge their duties and to commission and publish an article) and the question of access for contributors." The charter, when completed, will not be legally binding but it will be able to be used as evidence in civil proceedings and its provisions, when relevant, are to be taken into account by a court or tribunal. This would assist complainants before the TUC Review Committee on unfair dismissals, for instance, but, more important, it would strengthen the hand of judges wishing to extend and substantiate the right-to-work doctrine.

Objection is twofold

The objection of publishers and editors to this formulation is twofold. In the first place, there is no knowing what kind of charter can eventually be agreed, or, if not agreed, drawn up by the Secretary of State. The wording adopted by Mr. Foot even after amendment by the moderates is vague and it is quite possible that it might fail to meet the difficulties of case A or case B. For this reason Lord Goodman and his colleagues have urged and succeeded in getting passed in the Lords an amendment specifying that the charter must cover, in addition to freedom of access for contributors, the "application of union membership agreements to journalists including the right of journalists not to be unreasonably excluded or expelled from trade unions and to belong to the union of their choice and the right of editors to discharge their duties free from any obligation to join the trade union."

The second and more serious objection is that even under Mr. Foot's amended rules for applying the charter, the Bill still falls far short of giving cast-iron protection to editors and non-union contributors (cases A and C). Statute law will revert to the pre-1971 position, protecting trade unions from actions in tort as well as criminal sanctions. And so far as the common law is concerned, even Lord Denning may hesitate to extend the right-to-work doctrine to cover the right to join the union of one's choice and to the question of access. To do so would be in fact, not so much to extend an old doctrine as to create two quite new constitutional rights.

Strengthening the wording

What has therefore been proposed is a strengthening of the wording of the clause which governs the application of the charter. The Goodman amendment tabled earlier this week states that "any rule or agreement which is contrary to the provisions of the charter shall be deemed contrary to public policy." As some Conservative critics pointed out in the Lords on Monday, this form of words still does not give the charter the force of law. On the other hand, taken in conjunction with the strengthening of the charter itself, it would in effect create the presumption that the new constitutional rights do exist and are blessed by Parliament. With such encouragement the way would be wide open for the judges to limit the operation of the closed shop under the common law — certainly in the Press field and possibly in a wider field as well.

It is this possibility which makes it likely that the Government will, if necessary, reject any formula of the kind and will apply the Parliament Act in order to pass its Bill in crude form next year (under the Parliament Act procedure the moderate Commons amendments cannot be included). Similarly, it is possible that Lord Goodman will find the Conservative Party in the Lords unwilling to accept a scheme which does not give statutory enforcement to the provisions of the charter.

It is possible that some compromise can be found on the ground of common law, but, if so, it will be on the basis that the common law is something of a lottery in which each side has some chance of getting its way. The basic issue however, remains. On one side are ranged those who believe that the law is an inappropriate instrument for regulating industrial relations and that good practice and harmony is as dependent in the Press field on voluntary agreement as in any other. On the other side stand those who believe that the law in some form must be invoked as the last and best protector of Press freedom as of other public interests in a complex modern society.

* Nagel v. Feilden (1966), and Edwards v. Sogat (1971)

MEN AND MATTERS

Seeing the Show

Among the crowds packing the Motor Show this week, there was just a touch of deference in the way one group of visitors was received at various stands. Several of the motor industry's leading executives made a point of being on hand and Barrie Heath, chairman of GKN, had a cheery way with the champagne.

The tour of inspection was undertaken by some members of the Parliamentary sub-committee which in August produced a mostly critical report on the industry, with some particularly caustic words on the Ryder plan for British Leyland.

The author of some of the harshest phraseology on Ryder was the committee's chairman, Pat Duffy, the combative Labour MP for Sheffield Attercliffe. He explained that he and his colleagues had gone to meet the car industry "on its own ground" to hear what was thought of the report.

Duffy's point was that when the committee took its evidence, witnesses often found themselves facing an "awesome ordeal." In the tinsel, glitter and hopeful atmosphere of the Show, confidence perhaps returned to some individuals who felt they could speak out more naturally.

Duffy's team had hardly been kind—Chrysler and Vauxhall predicted to be in a "long-term loss-making situation" — so what were the reactions? "We found great courtesy," reported Duffy, "There was genuine praise for our report. People mostly accept our findings and subscribe to the emphasis. None of them dissented."

British Leyland, however, proved timorous in receiving the MPs. Duffy said none of the Leyland witnesses which had appeared before him were around the company's stands, but he declined to draw any inference from that. What did concern him was that the committee's reservations on how the industry is administered should be hammered home at Westminster. The Department of Industry is working hard on its reply, a White Paper is expected, and Duffy's men hope for a Commons debate before Christmas. It was not too late to overturn Ryder, or parts of Ryder, and, most important, the committee's inquiry was not yet closed.

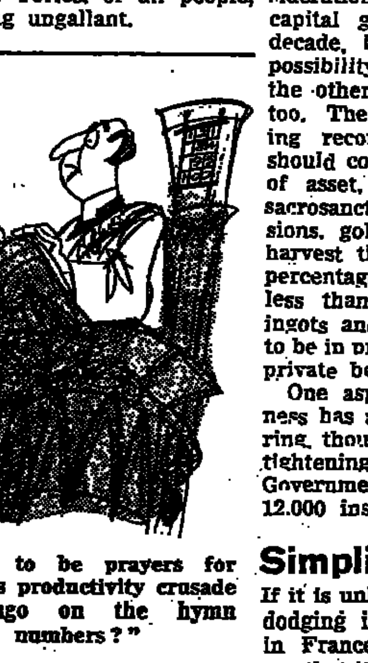
The taxpayer had got good value as far as the committee was concerned, Duffy thought, the cost of the investigation so far standing at £7,200. Trips abroad have been kept to a minimum. There was one to Italy and Germany, but you could hardly describe Earls Court as an exotic spot.

Call me Ib

The following decree has been issued in North Yemen: "All official titles used in correspondence, addresses, mass-media and in various official quarters will be abolished completely to be replaced by the word 'brother' at all levels." It is signed: Lieutenant Colonel Ibrahim Hamadi, chairman of the Command Council and Colonel-in-chief of the Armed Forces.

Tory prescription

It is accepted practice when the Opposition wants a wider-ranging debate on a subject to table a Commons motion that a particular Government minister's salary be cut. The going rate recently, I gather, has been £1,000. But in asking for a debate on the National Health Service on Monday, the Conservatives are calling for Barbara Castle's £13,000 ministerial salary to be reduced by half. Are the Tories, of all people, becoming ungallant.



"Is it to be prayers for Healey's productivity crusade or bingo on the hymn numbers?"

Fourcade goes for the famous

It may be unkind to say that tax-dodging in France is little less than a national pastime. But to the French Government it must seem that way: the current estimate is that the country's declare-your-own system permits around the equivalent of £5.5bn. tax evasion every year.

Jean-Pierre Fourcade, the Finance Minister, is now promising extra efforts towards a clamp-down. And to prove his determination, the Minister has decided that celebrities of one sort and another are going to bear the brunt of his campaign. "I'm checking," he declares ominously, "the returns of the famous."

Making an example of the supposedly well-off may be a popular way of dealing with the problem, but common-or-garden citizens are being rattled by yet another measure now under consideration. Britain has had capital gains tax for over a decade, but now there is the possibility it will be adopted on the other side of the Channel too. The Government is studying recommendations that it should cover almost every type of asset, including that most sacrosanct of French possessions, gold. Could be a rich harvest there, even if the tax percentage was to be tiny: no less than 4,600 tons of gold ingots and coins are reckoned to be in private hands (or under private beds?).

One aspect of the tax business has an extremely familiar ring, though. To carry out the tightening-up measures, the Government needs another 12,000 inspectors at least.

Simplicity

If it is unkind to infer that tax-dodging is a national pastime in France it is quite fair to say that it is more than a hobby in Italy. Ironic therefore that while U.K. accountants are arguing among themselves that the archaic way of presenting auditor's reports—true and fair view of the company's position and so forth—could be replaced by something much simpler, is already in practice in Italy. The Italian central bank's latest annual report carries the straightforward statement: "audited and found correct." Mind you it does have the Governor's signature as well as the auditor's

Finis

End of apt name jokes with these three: Brigadier Attack, a tax inspector called Crook, and appropriately enough in that context, The Tax and Insurance Letter published by Stonehart Publications.

Observer

ECONOMIC VIEWPOINT

BY SAMUEL BRITTAN

What really happened at that banquet

[...]ICE of advice which I [...]o give to aspirant econo[...]urnalists who wished to [...]heir reports taken seri[...]vas to say that there were [...]nces between the Trea[...]nd the Bank of England. [...] a safe thing to say, as no [...]stitutions will ever see [...] eye to eye. If the writer [...] that there were also [...]nt schools of thought [...] the two institutions, the [...]ecame almost watertight, [...]animity is not to be [...]d among economic [...]s.

[...]just as the boy who cried [...]' too often was one day [...]nted with a real wolf with [...] jaws, journalists who [...]vritten too often about [...]ry-Bank splits are now [...]ited with a real one; [...] open and naked. It [...]d for all to see at the [...]n House dinner last week, [...]Mr. Dennis Healey, the [...]llor, took a markedly [...]t line from Mr. Gordon [...]lson, Governor of the

[...]s the Chancellor's asides, [...] as his substance, which [...]he evening such an un[...]te one. *Thus, what is* [...]nake of his remark about [...]ns who could never [...]of enjoying the sort of [...]ity you have given us [...]"? There are genuine [...]s in the Labour Party [...]iom one must just agree [...]. There are reformists [...] Mr. Roy Jenkins or Mr. [...] Lever, who do not pre[...] believe in the envious [...]of egalitarianism. But [...]ley does not belong to [...]amp. He apparently has [...]tion to wide disparities [...]ssions and real incomes, [...]l that these come from [...]ofessor Paul Samuelson has called the exercise of "bad, dirty power" rather than "good, clean money" earned in the market.

When Mr. Healey lashes out —at the City, business executives and his political critics—it usually means that he is rattled himself. Quite often it is a sign that he would like to achieve the same objectives as his critics on Government spending, public borrowing and the money supply, *but is not succeeding* or finding the going difficult in Cabinet. All of us are tempted, when a path becomes too difficult, to alter course and snap at those who pointed the way. Last week Mr. Healey yielded to this temptation.

Fundamentals

The most disturbing clash between the Government and Chancellor was not on money but on investment and profitability. Mr. Healey once more trotted out the old stale charges about the failure of "the City" to invest long-term in British industry; and *he* is relying very heavily on tripartite official bodies to spot industrial opportunities which both those engaged in the industries concerned and outsiders voting with their cheque-books have failed to seize.

The Chancellor has apparently not learned either from the failure of earlier attempts to establish the Corporate State or from the Governor's reminder last week that productive investment could not be achieved "*merely by providing a flood of finance.*" As Mr. Richardson pointed out, if an adequate return can be foreseen finance will be available. What is needed is a change in price control "sooner rather than later" which provides a *prospect* "that future profits may be rebuilt."

Terry Kirk

Smiles from Mr. Denis Healey (left), the Chancellor, Sir Murray Fox (centre), the Lord Mayor, and Mr. Gordon Richardson (right), Governor of the Bank of England, at the Mansion House last week. But the evening turned out an unfortunate one.

It was not this clash on fundamentals, however, which knocked the gilt-edged market down to a level from which it has not yet recovered after eight days, *despite the fall in U.S.* interest rates. The blow to confidence arose from the Chancellor's response to the Governor's anxieties about the public sector borrowing requirement, "which on more than one occasion proved much in excess of what was only recently forecast and assumed as an instrument of policy."

Contrary to what we had been led to expect, Mr. Healey did not give the latest estimate of the borrowing requirement—it is, in fact, £11½-£12bn. Instead, he decided to discourse on the difficulties of forecasting—when the problem is one of control. A Chancellor does not need either perfect foresight, or to regard the borrowing requirement "with almost mystical significance," to take action to reduce it.

What really disturbed the *gilt-edged specialists among his* audience was that all he could foresee for next year was a "slowing down of the rate at which the borrowing requirement is growing" and its "likely reduction" as a proportion of the national income. This does not hold out much prospect of an early absolute fall in a level of borrowing which can be justified only as an emergency expedient in a recession; and Mr. Healey's broadside in defence of his Mansion House speech does *little to change the picture.*

Nor was what he had to say on public spending at all reassuring. *Even if it is held down* next year in traditional volume terms to the planned level, this is likely to be an increase rather than a decrease over 1975-76, in view of the rate at which spending has been shooting ahead in the past few months.

There are two standard replies to complaints about the growth of public spending. The first is: What would you cut? This is a question which a reasonable man should refuse to answer in knockabout debate (except by saying "The length of this Parliament"). A bankrupt facing his creditors would get short shrift from any court if he asked this question about his own spending.

Even if there were no inflation or overseas payments problem, a public spending total of 55-60 per cent. of the national product is too high for a free society. A sensible reduction requires a re-thinking of the role of the State and not just a trotting out of the hardy annuals of more charges for school meals and Health Service appliances.

The second reply is: You surely would not want to cut public spending in a recession? This is really cool. Of all the non-dangers we face, the biggest is that of cutting public spending (or its growth) too much or two fast. Spending cuts are so slow to take effect that we will be extremely lucky if they come in time for the next economic upturn. But should one be wrong on timing, the easiest thing in the world would be to balance a spending cut with a tax cut; and contrary to conventional wisdom, such a combined operation would be helpful both for employment and for price stability.

Rational discussion of these matters is made unnecessarily *difficult by the Treasury's con*tinued refusal to separate out those elements of the public sector deficit, such as the tax shortfall and the growth in unemployment pay, which really do reflect recession, from the total. The main reason is a political fear that someone or other will attempt to extract from the calculation an inference about expected "normal" levels of unemployment which would annoy the TUC or Labour Left-wingers.

This is a little rich when the U.K. adjusted unemployment stands at 4.7 per cent. higher for what the comparison is worth, than in 1975—and when many in Whitehall expect it to reach a peak next year of 1½m-1¾m. This could easily mean nearly 2m. in headline terms if students, school-leavers and the seasonally out-of-work are added into the figures.

Newspeak and Doublethink have gone too far when people such as Mr. Harold Wilson, Mr. Healey and Mr. Michael Foot try to clamp down on realistic discussion *of unemployment* targets, or the interpretation of the figures, while presiding over such a huge increase in the workless themselves. At the Mansion House Mr. Healey denounced those who believe "that a high level of *unemployment is necessary to* cure inflation" as if he would never dream of proceeding in this way. The truth is that a high level of unemployment is, alas, necessary to cure inflation, but not as high as his government's policies are creating.

A money supply target is necessary if we are to set a sensible limit to public sector borrowing. The permissible borrowing level is that which can be financed without an explosion in the money supply at *an "acceptable" rate of interest.* It is also necessary as a long stop to make sure that even if the public sector deficit is too large, it will not be financed by printing money, even if this involves a temporary period of "unacceptable" interest rates *until* public spending can be brought under control.

For all the Chancellor's talk about slowing down the growth of the money supply, this growth has now accelerated again to a rate quite incom*patible with his own inflation* target set out in the White Paper endorsed by Mr. Jack Jones. Mr. Healey now says "we should not be too concerned if there are periods of a few months" when the money supply is growing faster than the money national income. This was exactly Lord Barber's doctrine in 1971-72, and his successor has learnt nothing from his mistakes. It is one of the many weaknesses of our political system that ministers leave office just when they are beginning to learn how to do the job.

I know that it would give pleasure to many readers if I were to advocate the statutory independence of the Bank of England; and there is a case for it. But quite apart from the somewhat worrying 20th *century history of the Bank of* England, ranging from the return to gold at the wrong parity in 1925, to the Bank's espousal of incomes policy and reluctance to call for Special Deposits in the present, I am sceptical about gimmick solutions. The U.S. and Germany have done better than we have with an independent central bank; France has done better with one which is even more subordinate.

Our basic problem is a debased interpretation of democracy which allows a government with a temporary majority in Parliament to do what it likes without any rules or inhibitions other than the fear of a *confidence outflow* or eventual electoral defeat. Fashionable current proposals, ranging from electoral reform and a fixed term Parliament to a Bill of Rights or an independent central banks, have something to be said for them as part of a revision of our present authoritarian interpretation of democracy and the absurd doctrine of "the mandate." But if attempted on their own without the necessary constitutional rethinking, they would be unsuccessful even if they were to reach the Statute Book.

Politics To-day, by David Watt, will appear in Monday's issue.

Letters to the Editor

[...]nagement money

[...]e Managing Director [...]tes.

[...]Much thought is being [...] ways by which invest[...] industry could be in[...] but many proposals [...]m the danger of wast[...]y in question. This can [...] be the result of actions [...]nment, or equally the [...] responding to financial [...]nts, or, (soon), in the [...]t of rigid planning [...]nts regardless of [...] circumstances. But [...] reason *for* waste may [...]se the money is simply [...] without question from [...]etained in the business [...]years. I have a theory [...] reason may have been [...] for years past to the [...]t of British industry.

[...]nentation of the recom[...]ns of the Sandilands [...](or similar changes to [...]n assessing "profits." [...] effects of inflation) [...]em to me to remove the [...]us obstacle to a radical [...] in the law relating to [...]ribution of profits in [...] I would propose the [...]dical change that, after [...]g the minimum allow[...]quired for off-setting the [...]f inflation on the exist[...]ness, all the remaining [...]ould by law be fully [...]ed to shareholders.

[...]t sight, this seems only [...]cerbate the present [...]e" of capital, but the [...] this, as I see it, would [...]ly as follows:—

[...]Managements would have [...]o the market for any [...] money required, and [...]ave to justify to that [...] that they had a worth[...]proposition to offer— [...]on the margin, a better [...]an the alternatives on [...]

[...]The much greater divi[...]istribution should cer[...]revive, even possibly [...]ransform the mood of [...]rities market generally; [...]uld be available for re[...]ent, and with the en[...]ability of investors to [...]additional returns ought [...]nerated by many of the [...]l new investments on [...]he price of company [...]ould be likely to be con[...] more buoyant than in [...]—for growing and enter[...]companies, at least; thus [...]ing further investment. [...]Companies which are [...] moribund, because of [...]oduct being obsolescent [...]se of their management, [...]il to put up a competi[...] in the market for more [...]nd would quietly, *from* [...] of cash, fade away, as [...]edly they should. They [...]no longer be able to [...] for any length of time [...] off all the money which [...]have been reinvested in [...] place.

[...]Conservative or Liberal [...]want to set the scene for [...]d, enlightened and *enter*[...] private enterprise scene, [...]out enacting a change [...] this, as a start? Those [...] watchdog, monitoring [...]hortatory bodies (NEB, [...]DOI et al) could then [...]ir staffs without fear of [...]ng unemployment — [...]nent in actually making [...] articles might be avail[...]e more!

[...]ewett. [...]nd, Kent.

[...]derpaid [...]rtime

[...]r. E. Kumar.

[...]Lorelies Olslager's piece [...]r 21) uses an odd [...]ism when referring to the "more glaring anomalies" in the payments made to junior doctors; they are not in the same class as "anomalies" at all; they are in the same class as the 19th century sweat-shops; the figures speak for themselves. Overtime (that means any time worked over 80 hours per week), is not voluntary but obligatory to the proper doctor because there are insufficient replacements.

Lorelies Olslager believes that "*a doctor's basic rates are not* ungenerous, at least, for young doctors just out of medical school"—£2,859 to £3,294 for an obligatory 80 hour week; a glance at your own advertisements will show her that many shorthand secretaries are paid about £2,800.

To put Lorelies Olslager's opinions on junior doctor's "not ungenerous" salaries into perspective, I am quoting hereunder a letter I received from the London Electricity Board, dated 14th instant.

"Thank you for your letter of September 24, 1975, relating to the above invoice. I confirm that the charge of £6.04 is correct, it is made up as follows:—

Labour	£5.30
Materials	.30
VAT	.44
	£6.04

"The labour charge is based on a scale of £4.50 for the first 15 minutes and 80p for each subsequent quarter-of-an-hour."

Eric Kumar.
16, Holsey Street, S.W.3.

North Sea oil

From Mr. T. H. Skeet, MP.

Sir,—Mr. Frank Waddams (October 14) states that the Petroleum Bill "does not set out to dismantle concessions already granted. . ." Quite the reverse. Part II and Schedule II of the Bill are retrospective and apply to existing licences as well as those likely to be granted at a future date. The inviolacy of contract recognised by the Norwegians, Australians and the Spanish in respect of existing contracts has been disregarded by the British Government, which has imposed radical *changes in the terms and conditions of licences.* In fact, the former contracts are barely recognisable.

BNOC, he suggests, expresses a national intention to retain management over the exploitation of Britain's own resources. BNOC is an unnecessary folly in the presence of British and Anglo-Dutch internationals and was only included to satisfy the left wing of the Labour Party. The Brazilians have apparently learnt that there is a limit to state intervention, and private enterprise is now being brought back into the oil industry after an appreciation of its value and expertise.

Mr. Harold Lever has indicated in the House that the acquisition of 51 per cent. participation arrangements are to be negotiated on the basis of "no gain no loss." This is an *illusion for the companies* and not altogether meaningless for the taxpayer for who is to pay? Do the oil companies which pay petroleum revenue tax in effect pay for BNOC which pays no PRT, and are they to be deprived later of a share of the *market* by preferential state trading? Further, should the negotiations fail to reach the appropriate Government objective, nationalisation proposals are contemplated (Mr. Lever, Hansard, February 19, 1975, column 1340), which would certainly be at the expense of the companies, and you can imagine how the state would value the assets.

Mr. Waddams states that the "totality of recent legislation will not make an oilfield uneconomic which was not so before." This is not so. Escalation in major operating costs, the imposition of the petroleum revenue tax and the threat of unnecessary participations combined have managed to push the *minimum threshold of commer*cial oil from between 50m.-100m. barrels to 300m.-500m. barrels of oil. North Sea recoverable reserves could be increased by some 40 per cent, should all the 50m.-500m. barrels category of fields be included, but companies may be deterred by Government policy and legislation. How Government dictated depletion powers are to fit in with the economics of development and production is anybody's guess. Fields should be producing at the maximum efficient rate (vide the Texas Railroad Commission) and this should be consistent with any rational approach.

Trevor Skeet.
House of Commons, S.W.1.

The median line and Scotland

From The Chairman, The English National Party.

Sir,—I refer to the map accompanying "BP lands its first commercial N. Sea oil flow" by Adrian Hamilton on October 17. This map is very misleading owing to its inaccuracy. The word "Scotland" is positioned so that every letter of it is on English territory and the word "England" is not printed at all. Northumberland, Cumbria, Tyne and Wear, Durham and Cleveland all appear to have been taken over by Scotland.

Monmouthshire was England territory from 1284 until 1974 when our so-called Conservative Government renamed it Gwent, although it is not Welsh-speaking, and added it to the Principality to form the new Welsh Empire. The people of Monmouthshire were not consulted. Is there an even more secret deal by the present Labour Government, dependent as it is on Celtic votes for its majority, to hand over all the North of England to Scotland, and only the Financial Times knows about it?

It hardly seems likely but then how blindly everyone has been accepting the slogan of "It's Scotland's oil" and as I have been able to show this is just a myth. These are *strange* times and this is a highly emotive area. In the important context of North Sea oil I would have thought readers would have welcomed some awareness of the fact that by international maritime law the land frontier between England and Scotland, which is on a bearing of 035 degrees, will be projected out into the North Sea to form the median line between the English and Scots oil zones in the event of the break-up of the U.K. in its present form. The rich oil fields Forties, Montrose, Argyll, Andrew, Maureen, Lomond, Auk and Josephine, as well as all the gas fields to the south, are thus in English waters. Scotland in fact has only Claymore and Piper, with no gas, the many oilfields to the north being in Shetland's waters, and Shetland is not truly Scots at all but Norse.

Accordingly as "It's England's oil" the English National Party policy is to make our England Oil HQ, not Aberdeen as planned by the Government, but Teesside, which already has the Norwegian Ekofisk pipeline terminal and is an English region of high unemployment. If only you, Sir, can return Teesside to England.

Frank Hansford-Miller.
76, Lock Chase, Blackheath, S.E.3.

Bubble and slump

From The General Director, Centre for Policy Studies.

Sir,—If Sir Roy Harrod (October 21) believes his prescription for Britain's economic ills will achieve the "top priority" of full employment in anything but the short run, then he is clearly confused about more things than his political allegiance.

We are apparently to understand that he is proposing domestic reflation from a base inflation rate of around 25 per cent. and a government borrowing requirement of £12bn. plus import controls which, apart from restricting consumer freedom, add further to inflationary pressures; plus wage and price controls to suppress the symptoms of the disease the rest of the package will encourage.

The *short run* effect of such a package would be to raise output and employment; and we could even expect the pay and price controls to hold for a while. This would, however, be achieved at the cost of a further and massive misdirection of resources, which is the real cause of the unemployment Sir Roy rightly wishes to reduce. The bubble *created* by his package would soon burst—and the ensuing slump would then be deeper than anything experienced post-war because the misdirection of resources would have gone that much further.

There is in fact a paradox more extraordinary than the one Sir Roy mentions. It *is* the inveterate habit of some of our academic economists of prescribing more of the same old medicine the more it fails to work. Surely there is now enough evidence to at least suggest that lasting full employ*ment cannot be attained* by printing money.

Martin Wassell.
8, Wilfred Street, S.W.1.

Business graduates

From The Director of Information, The Association of Certified Accountants.

Sir, — Mr. Bruce's claim (October 16) that British companies are beginning to recognise that "the strict financial training of the business *school* graduate" can provide the same kind of entree to business positions as an accountancy qualification ignores a very important point and is unsupported by the evidence he presents.

While no one will deny the value of an added academic qualification, the fact remains that theoretical learning alone is no replacement for practical experience. Accountants, besides having to pass rigorous professional examinations, must also undertake a lengthy period of practical training, which business *graduates seldom* possess and which qualify them to hold the highest business positions. Moreover, Mr. Bruce appears to be unaware of the existence of any accountants other than chartered accountants. On an extremely topical note, may I therefore inform him that Sir Ronald Edwards, the new chairman of British Leyland and one of our most distinguished business executives, is a certified accountant.

Jessica T. Cloudesley,
22, Bedford Square, W.C.1.

To-day's Events

GENERAL

Discussion of developments in the offshore oil industry by presidents of North Sea Ports Group of Chambers of Commerce in London.

Mr. Alv Jakob Fostervoll, Norwegian Minister of Defence, on official visit to the U.K.

Lord Diamond, chairman of Royal Commission on the Distribution of Income and Wealth, addresses Institute of Personnel Management conference, Harrogate.

Lord George Brown speaks on Government planning at Institute of Purchasing and Supply conference, Grand Hotel, Brighton.

The Duke of Edinburgh, president of the U.K. Council for European Architectural Heritage Year, attends Congress on the European Architectural Heritage in Amsterdam.

PARLIAMENTARY BUSINESS

House of Commons: Hare Coursing Bill, remaining stages. House of Lords: Community Land Bill, committee.

COMPANY RESULTS

Tozer Kemsley and Millbourn (half-year).
Geo. G. Sandeman (half-year).

COMPANY MEETINGS

British Car Auction, Farnham, 12.
Estates Property Investment, Abercorn Rooms, E.C., 12.15.
Greaves Organisation, Walmley, 12.
Radiant Metal Finishing, 69, Fairfield Road, E., 12.30.
Regional Properties, Dorchester Hotel, W., 11.
Robb Caledon Shipbuilders, Dundee, 12.30.
Second City Properties, Birmingham, 11.

EXHIBITIONS

Materials and Design, staged jointly by Society of Industrial Artists and Designers and Science Museum, South Kensington, S.W.7.
Royal Institute of Oil Painters, Mall Galleries, The Mall.

LUNCH-TIME MUSIC IN THE CITY

St. Stephen Walbrook, organ recital by John Wright, 12.30 p.m.
St. Mary Woolnoth, Singers' Workshop, 1.10 p.m.
Guildhall School of Music and Drama, Chamber Concert, 1.10 p.m.
Church of the Holy Sepulchre, stereo recorded music by Tchaikowsky and Sibelius, 1.15 p.m.

SPORT

Tennis: Junior Wightman Cup, Britain v. United States, Torquay.

COMPANY NEWS + COMMENT

McKechnie Bros. drops by £6½m. to £9m.

A COMBINATION of recession in demand for some products, and a slump in others has left profits, before tax, of McKechnie Brothers' (makers of non-ferrous metals and chemicals) down from £15.5m. to £8.95m. for the year ended July 31, 1975—lower than expected at the half way stage.

At that time, when a reduction from £7.85m. to £5.13m. was reported, the directors said that although indications were that the bottom of the trade cycle had not yet been reached profits might well continue at around the level of the first half.

Earnings per 25p share before extraordinary items are stated at 7.7p (15.9p) and after those items at 7.8p (15.4p). The final dividend is 2.54729p net making a total of 3.54729p, compared with 3.32406p.

Chairman Mr. K. M. Leach reports that there has been substantial short-time working and serious erosion of margins. However, some activities have held up well and the diversity of profit ranges and wide geographical spread of markets have been of "considerable help."

Under the circumstances, the chairman considers that the final profit outcome is not unreasonable, while cash flow was much more satisfactory and borrowings in the U.K. were reduced very substantially.

Mr. Leach sees no signs of an early upturn in world-wide business activity and does not feel it possible to forecast the outcome of the current year. Nevertheless, the group's internal budgets indicate a profit "rather higher" than that for 1974-75.

	1974-75 £000	1973-74 £000
Group turnover	105,300	119,709
Profit before tax*	8,955	15,501
Taxation	5,943	6,975
Net profit	3,012	8,526
Attrib. before extraord. items	2,539	5,212
Attrib. after extraord. items	2,548	5,036
Preference dividend	10	10
Ordinary dividends	1,150	1,088

* Includes share of associates' profits £1,470,000 (£2,290,000), and is after interest charges £1,147,000 (£822,000). Profits exclude depreciation on unsold metal stocks—£551,000 after tax (£440,000) appreciation—which has been debited to stock reserves.

● comment

McKechnie Brothers' points are worse than expected in April—second-half profits are 50 per cent. down—but there have been plenty of warning signals elsewhere in the sector, and the worst now appears to be over. In addition, the recession has had a favourable impact on the balance sheet, where net working capital is down by about £13m. and debt has fallen back to roughly 15 per cent. of capital employed. The dividend has gone up by the maximum amount, and is still more than twice covered by earnings of 7.7p per share. Three-quarters of group earnings now arise overseas, profits are starting to recover, and the yield of 9½ per cent. at 59p is attractive.

HIGHLIGHTS

First-half profits of Dunlop Holdings are £1m. lower, pre-tax, and the net attributable is £¼m. down; but the second half is expected to be higher, U.K. exports are buoyant and a £25m. loan has been agreed with F.C.I. Plessey profits are also lower at half-time and the market showed some disappointment with the statement; but Mothercare is going steadily forward. These are commented upon in the Lex column, which also looks at the £3m. rights issue by Weir Group. Pursuing the rights fashion also are Cape Industries, raising £5m., and David Charles, with £2m., the latter call accompanying the full year results with lower profits. Half-time figures from McKechnie Bros. are worse than expected—there was warning of a fall last April—but the statement is hopeful and the shares picked up on the news. UBM at half-time is also well below last time but reports "significantly higher" sales since June: Fidelity Radio is another to turn in lower profits for the first six months.

Satisfaction at Neepsend

A "very satisfactory" first half performance was predicted for Neepsend by the chairman, Mr. Stanley Speight, at the annual meeting.

Mr. Speight told shareholders he felt sure the six months' figures would disappoint no-one. The group had maintained full time working in most areas and more export business was being sought.

The future was clouded by the current inflationary situation, the chairman pointed out, but the group was practising tight management and especially tight control on all expenditure to ensure that Neepsend was well placed to progress when the general recovery began.

Fidelity Radio downturn

DUE TO a slight reduction in sales from £6.1m. to £5.84m., and the inability to recover cost increase. Last year's total was lation, pre-tax profits of Fidelity Radio fell from £554,000 to £461,000 for the six months to September 30, 1975.

The interim dividend is lifted from 0.987p to 1.053p net, in line with the maximum permitted increased. Last year's total was 3.956p paid from pre-tax profits of £1.46m.

	6 Months 1975 £	1974 £
Turnover	5,837,000	6,102,000
Profit before tax	461,000	554,000
Tax	240,000	288,000
Net profit	221,000	276,000
Dividends	89,075	78,960
Retained	131,925	187,040

As expected the first few months of the year were difficult, in view of the higher rate of VAT on the company's products, states the chairman, Mr. J. Dickman.

However, demand for audio products picked up earlier than anticipated, and the main problem was the acquisition of materials and components, rather than the ability to sell the merchandise.

The order book is strong members are told, but increased production was prevented by the inability of some suppliers to raise output in line with the company's own.

"We are still fighting hard to secure the supply of materials and although not at the level to satisfy all our needs, a considerable improvement is occurring daily," declares Mr. Dickman.

This should step up the volume of deliveries, and with the increase in prices, to take place in November, 1975, the second half should show a better return. However, uncertainties in the economy preclude any forecast, the chairman adds.

● comment

A 17 per cent. shortfall in Fidelity Radio's first-half profits is a reflection of a period incorporating the aftermath of the pre-VAT spending spree in hi-fi and radios May and June, in fact, were highly depressed months but the picture has changed drastically over the past 10 weeks. Demand has been particularly strong and the problem now is one of a sufficient back-up in components. A far better second half showing is on the cards and the shares at 54p on a yield of 12.2 per cent. should at least hold recovered ground.

Progress by London Trust

PRE-TAX REVENUE of London Trust advanced from £887,224 to £1,306,377 for the six months to September 30, 1975 but the directors say they do not expect the year-end result to show the same "exceptional" rate of increase. Net revenue for the first half was £791,279 against £576,857).

The interim dividend is raised from 1.333p to 2p net per 25p share, adjusting for the one-for-two scrip. The directors intend a total of not less than 5p, against last year's equivalent 4.833p paid from pre-tax revenue of £2.31m.

For the half year asset backing per share, assuming full conversion of loan stock, is shown at 172p compared with 91p.

MOORES INTNL.

The George A. Moore Group, based in West Yorkshire, has formed a new company called Moore International Furnishings to exploit the growing international interest in Moore's kitchen furniture.

Steel Bros. earnings increase

ALTHOUGH GROUP trading profit of Steel Brothers Holdings was *marginally lower* at £1.13m., profit attributable to Ordinary holders for the first half of 1975 shows an "important increase" from £144,528 to £346,229, which should be held or increased further at the year end, say the directors. For all 1974 the figure was £0.56m.

At the pre-tax level, profit for the six months was down from £1.09m. to £1.03m. This is after provisions of £172,000 being interest incurred in carrying development land, as the directors are not satisfied that market value has correspondingly increased: also £127,000 has been deducted against the present estimated exchange loss on eventual repayment of medium-term overseas borrowings although the increase in sterling value of overseas investments "is much greater."

Partly offsetting these special provisions, which "may not be required at the end of the year," is a £90,659 tax credit relating to previous years.

The interim dividend is being raised from 3.16575p to 3.38p net, requiring £108,513 (£101,294). The previous year's total was 7.49575p.

The directors say that there have been substantial variations in group income from each source compared with both last year and the expectation for this year. Losses in Australia have been "much reduced" and the Board now expect profits as soon as the economy picks up. The Netherlands has made an increased loss but has been the subject of a management reorganisation which is now showing results. The Middle East is "buoyant" and has now surpassed Canada as the group's major source of income.

The company has interests in construction, foodstuffs and manufacturing.

● comment

Steel Bros. results containe the usual swings and roundabouts. Before special provisions, pre-tax profits have increased by 22 per cent. with the main drive coming from foodstuffs trading in the Middle East (nearly 30 per cent. of profits in 1974). Canada, the biggest contributor last year, is just about holding its own, although labour troubles in the pulp mills could act as a drag in the second half. Rice interests have worsened again, but last year's second half was exceptionally depressed, so a maintained performance is expected for the year. Elsewhere, Dutch engineering losses have increased while Australia is approaching break-even levels; hence, the tax charge, although three points lower at 63 per cent., remains abnormal. This charge could fall further in the second half and, with a doubling of attributable profits forecast for the year, a prospective yield of 5 per cent. at 259p should be covered four times.

S. Simpson second half expansion

A SECOND half profit upsurge from £74,000 to £357,000 before tax resulted in S. Simpson, tailers and clothiers, finishing the year to July 31, 1975 £175,000 ahead at £649,000 after being behind at half way.

Yearly earnings per 25p share are shown to have risen from 3.72p to 4.44p and the dividend total is stepped up from 2.625p to 2.8013p with a final payment of 1.4888p net.

	1974-75 £000	1973-74 £000
Turnover	12,709	11,600
Pre-tax profit	649	474
Taxation	359	229
Net profit	290	245
Extraordinary item	—	37

The company is "close."

ISSUE NEWS AND COMMENT

Ladbroke modifies warrant terms

As approved at the EGM on September 15, Ladbroke is now proposing some modifications to the subscription rights of the warrant holders. This approval to the alteration of the warrant conditions was necessary to implement a rights issue.

There are basically four proposals concerning the modifications: First, it is proposed that, in future the number of shares warrant holders are entitled to subscribe, as well as the price, shall be adjusted by reference to a formula which will ensure the value of the warrants comes out unchanged following such issues.

Secondly, the directors propose that they be in position to issue equity, carrying special terms, for the purpose of acquisitions, as well as issues to shareholders and employees.

Thirdly, they propose that they have the right to sell shares not taken up after the final subscription date for the warrants, any proceeds being distributed among entitled holders.

Finally the subscription price of the warrants has been reduced from 90.6p per share to 85.6p.

The EGM has been called for November 12.

● comment

As well as including a so-called Japanese formula, which will prevent future difficulties on the lines of those produced by the recent deep-discounted rights issue, Ladbroke is also modifying its warrant conditions to allow it to create a new class of high-dividend shares. But it has no plans for such a move in the near future. The compensation takes the form of a 5p cut in the subscription price—an arbitrary figure, it seems, though it is exactly half the pre-rights subscription price, and should leave warrant holders happy enough. But in terms of market values the concession is probably worth under 2p a warrant at present, because the proposed subscription price happens to be very close to the current Ordinary share price—86.3p against 93p—and at such levels any rise in intrinsic value tends to be largely offset by *a loss of premium;* the warrants are around 35½p.

Cape £5m rights

Cape Industries proposes to make a one-for-four rights issue of new Ordinary 25p shares at 105p to holders registered October 14. Charter Consolidated, which holds 66.3 per cent. of the equity, has agreed to take up in full the 3,182,720 new shares allotted. The balance of the issue has been underwritten by Kleinwort Benson; brokers are Williams de Broe Hill Chaplin and Co.

Over £5m. has been invested in capital expenditure in each of the last two years and the proceeds of the issue, estimated at roughly £5m., will be used to increase the equity base and provide necessary permanent finance for development.

The directors intend a final dividend for the year 1975 of 4.2791p per share net. This would bring the total for the year to 6.6795p net—10.2762p gross—representing a 20 per cent. increase in dividend on the Ordinary shares now in issue.

Weir Group rights

Weir Group has arranged to repay its DM55m. loan and is making a rights issue of 5,053,899 shares at 50p each.

In 1970 the group assumed liability for a DM55m. loan repayable in 1979 in connection with the acquistion of a 50 per cent. holding in Worthington-Simpson. Since then the sterling liability has increased from £6.3m. to £10.04m. due to changes in exchange rates.

Agreement has been reached for the early repayment at the rate of DM94 per cent. nominal and heads of agreement have been signed under which Finance Corporation for Industry will make a sterling loan to the company for this purpose.

Having arranged for this repayment the directors have decided that this is an opportune time to raise further permanent capital by way of a rights issue.

The new Ordinary are being offered on the basis of one for every four Ordinary shares held and three for every £16 nominal of 7¼ per cent. convertible unsecured loan stock. Last date for acceptance will be November 19.

The directors are forecasting a pre-tax profit in respect of the 53 weeks to January 2, 1976 of about £6m. compared with just over £3m. last year.

They expect to recommend a final dividend in respect of the current period of 2.9p net per share, compared with 2.45p net per share.

The issue, which will raise roughly £2½m., has been underwritten by Read Brothers and the brokers are Rowe and Pitman, Hurst-Brown and Parsons and Co.

Details will be posted on Wednesday, October 29 together with renounceable letters of allotment.

See Lex

David Charles rights at par

David Charles' proposal to make a one-for-one rights issue at par, to raise £2m., is the first heavy discount issue since the recent Treasury announcement that it would be keeping a closer watch in future on discount rights issues, where the dividend payment is to be maintained on the increased capital.

Proceeds of the issue, with the reduction in borrowing already taking place during the year, at the rate of some £¼m. per month, will give the group the strong financial bases needed to support the present and proposed programmes.

Turnover for the year to June 30, 1975, rose from £47.18m. to £52.31m. against a drop in pre-tax profits, after provision for development write-offs, from £2.85m. pre-tax to £1.41m. Earnings per 10p share are down to 1.7p (6.3p).

In the current year the group reckons that it should achieve trading results of not less than the £2.38m. shown for 1974-75, before property write-offs.

The final dividend for 1974-75 is 0.873p, making the maximum permitted 1.498p against 1.273p. The directors expect to recommend a total net dividend for 1975-76 of not less than that paid for last year on the increased capital.

The issue is not being underwritten.

	1974-75 £000	1973-74 £000
External turnover	52,318	47,177
Group	45,889	40,647
Associates	6,430	6,530
Group trading profit*	1,742	2,538
Associates	641	815
Total trading	2,383	3,354
Develop. site prov.	968	215
Quoted inv. provisions	—	287
Profit before tax	1,415	2,849
Tax	1,025	1,578
Net profit	390	1,279
Minorities	3	—
Extraord. debits†	406	—
Loss	19	‡1,279
Pref. dividends	42	42
Interim Ord.	134	133
Proposed final	174	128
Loss retained	339	‡998
Reserves at year end	6,798	7,136

*After charges, including interest £4.74m. (£3.68m.); †Adjustment to prior years deferred tax. ‡Profit.

● comment

Shareholders dismayed by a 29 per cent. drop in annual profits (adding back property write-offs) may be able to take heart from the fact that David Charles' rights issue has boosted the dividend yield, at 32p, from 7.4 per cent. to 11.4 per cent. ex-rights. The group blames roughly £275,000 of the downturn on terminal losses relating to the closure of a plant hire depot and the Spaceline retail division, plus some losses on an uncompleted property deal. The profits on this contract are expected to come through in the current year, when the group is also aiming for a big increase in its housebuilding programme; last year the group completed and sold 1,200 units and its internal budgets have set a current year target approaching 2,000 of which 1,000 are pre-sold. With the construction side and the plant hire and the cab manufacturing divisions expected to provide sufficient growth to offset the anticipated maintained losses on the property side (these fell by around £280,000 last year), the group's 1975-76 forecast is credible.

BRISTOL LEFT

Underwriters have been called upon to take up about 81.1 per cent. of the £15m. City of Bristol issue.

Allotment letters have been posted and dealings should start to-day.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corre-sponding div.	Total for year
Berkeley Hambro	int.	1.61	Jan. 2	1.61	—
Henry Boot	int.	2.5	Nov. 28	—	—
British Assets		0.68	Jan. 6	0.5	1.4
Burrell and Co.	int.	0.19	Jan. 5	0.19	—
David Charles		0.87	Jan. 2	0.65	1.5
Dualvest	int.	1.97	Nov. 30	1.84	—
Dunlop	int.	1.63	Jan. 2	1.68	—
Fidelity Radio	int.	1.05	Dec. 13	0.99	—
Globe Investment	int.	0.95	Dec. 29	0.95	—
R. Goodwin		0.91	Dec. 18	0.94	0.91
Guildhall Property		1.48	Dec. 5	1.34	1.99
Hambros Inv.	int.	1.4	Dec. 6	1.4	—
Hopkinsons Holdgs.	int.	0.75	Nov. 28	0.75	—
House of Lerose	int.	1.64	Dec. 12	1.64	—
Hunting Gibson	int.	5	Dec. 12	5	—
W. and R. Jacob	int.	5(a)	Dec. 1	5	—
LK Industrial	int.	1.08	Jan. 2	0.98	—
London Brick	int.	1.03	Jan. 3	0.67	—
Lyon & Lyon	int.	0.88	Jan. 1	0.88	—
McKechnie Bros.		2.55	—	2.32	3.55
Mothercare	int.	1.66	Jan. 2	1.26	—
MTD (Mangula)		12(b)	Dec. 8	23	19
B. & I. Nathan	int.	1	Dec. 22	0.75	—
1928 Trust	int.	2.25(c)	Dec. 1	2	—
Pengkalen	2nd int.	2.8	Dec. 12	2.8	—
Perak River		11.9	Jan. 2	10.9	17.5
S. George Assets	int.	0.14	Nov. 27	0.14	—
Sec. Scottish Invest.		1.43	Jan. 5	1.41	1.57
Sekong Rubber		4.73	Dec. 12	4.43	4.73
S. Simpson		1.49	—	1.31	2.8
Spencer Gears		0.61	Jan. 3	0.61	0.89
Sphere Inv. Tst.	int.	1.02	Dec. 5	0.94	—
Staffordshire Potteries		2.74	Jan. 1	2.43	4.93
Steel Bros.	int.	3.38	Dec. 21	3.17	—
UBM Group	int.	1.76	Jan. 2	1.76	—
Walker & Homer		0.83	Dec. 8	0.4	1.18

Dividends shown pence per share net except where otherwise
* Equivalent after allowing for scrip issue. † On
increased by rights and/or acquisition issues. (a) Gross per
throughout. (b) Rhodesian cents throughout. (c) To reduce di

Midway dip at House of Lerose

SALES FOR the half year to July 18, 1975 of knitwear manufacturers, House of Lerose increased marginally from £4.24m. to £4.69m. but profits slipped from £513,119 to £451,462 before tax of £208,108 against £251,400.

However, the directors state that there is a strong demand for group products and despite the uncertain economic position, they anticipate that profits for the full year will exceed the £734,913 of 1974-75.

First half earnings are shown to be down from 4.596p to 4.273p per 25p share. The interim dividend is held at 1.643p net with the chairman waiving his entitle*ment on 700,000 shares.* Last year's second interim, in lieu of final, was 1.3475p.

Keith & Henderson pays 0.89p

NET attributable profits of Keith and Henderson, the property group, improved to £193,442 in the year ended May 31, 1975, compared with £176,629, and earnings per 5p share are shown at 3.2p compared with a restated 4p.

The net dividend is raised by the permitted maximum—from 0.8375p to 0.89375p.

In his annual statement chairman Sir John Cowley reports that sales since the year-end have brought in over £1.5m., ex any proceeds from the sal woollen merchanting busi Lincroft Kilgour.

	1974-75 £
Group turnover*	2,571,00
Profit before tax†	243,78
Taxation	32,13
Profit on invst. prop. sale	143,78
Other extraord. items	13,28
Making	368,59
To revaluation res.	176,36
Net profit	192,22
Minority	1,26
Attributable	193,44
Dividend	50,98

* Includes sales of developme ties, securities and woollen
† Includes a transfer from re reserve representing outgoings able to investment properties of development of £338,166 (£18

As a result of the s finance available, the gr built up a "very satisf cash position which will e to complete the main term development programme rently under construction, start on the few other pr held for future developm

Net proceeds of the sal woollen business are expe amount to £400,000. The ceeds, with dividends pai the closing down of the b of £40,000, and properties at £110,000, will show stantial surplus over th placed on the company take-over bid in 1972, st chairman.

Sir John is confident t folio of properties wil substantial growth ov coming years, as the sho new developments becon creasingly felt through U.K.

A pro-forma cons balance-sheet as at May incorporating updated va of certain properties show asset value of 121p.

Meeting, Park Lane H November 14 at noon.

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هكذا من الأصل

Plessey falls further— off 17% at halfway

N THE SECOND quarter of 975-76 profits, before tax, of the lessey Company showed a urther reduction—from £7.9m. to 5.83m.—leaving the total for the rst six months ended September 9, 1975 down 17 per cent. at 17m. compared with an adjusted 20.52m. *for the comparable* revious period.

Sales in the second quarter howed a 9 per cent. gain at 107.6m., but the directors point ut that this represented a decline volume because of inflation. his fall was caused primarily by he lower world-wide demand for omponents and consumer ectronics.

The lower levels of activity in ese sectors have reduced argins and consequently trading nd operating profits—down from 1.68m. to £11.02m. and from *.38m. to £7.32m. in each case* r the second quarter.

This has been partly offset by e buoyancy of the electronic uipment sector, including ectronic telecommunications uipment, where demand and tivity have remained firm and argins improved.

The increase in net interest sts, arising mainly from the gher cost of financing overseas rrowing when converted at rrent exchange rates, has rther reduced the pre-tax profit, e directors explain.

Providing for tax and minorities e earnings attributable figure r the first half emerges at 49m. compared with £10.89m., *ring* stated earnings of 4.53p ainst 5.83p per 50p share.

A first interim dividend of 2.707p net has already been clared. The next announcement ll be of a second interim in uary accompanying the third *arter results, payable on July 1.* r the previous nine month riod (the year-end was changed March 31)—a total of 3.02293p t was paid from profits of 7.34m.

	6 Months 1975	1974 (adjusted)
	£000	£000
...s	219,600	278,309
...ding profit	24,883	27,465
...reciation	7,340	6,830
...rating profit	17,543	20,335
...ociates	2,441	2,413
...rest receivable	294	788
...rest payable	3,236	3,234
...fit before tax	17,011	20,517
...ation	8,000	9,400
...profit	9,011	11,117
...orities	517	219
...ings attrib.	8,494	10,898

The directors point out that in sidering the half-year results effect of the change of year-l should be taken into account. s change particularly affected first quarter.

See Lex

Progress for W & R Jacob

BLIN-BASED biscuit manufac-rs W. and R. Jacob and Co. ects current year profits to ex-d the £621,343 achieved in 1974. wever, the directors stress that, il current national and inter-ional economic conditions im-ve it will be increasingly diffi-t to achieve further major fit improvements.

espite the very difficult con-ons in home and export rkets the trend of improved fitability shown in 1974 con-ued through the first half of the rent year and a pre-tax balance [illegible] *is reported for the 28* ks period July 19, 1975.

urnover for the period ounted to £9.14m. The profit s struck after depreciation of 0,000, and interest of £126,000. er tax of £155,000 the net profit erges at £155,000 giving earn-s per 25p share of 3.9p.

he interim dividend is un-changed at 5 per cent. gross—the total for 1974 was 29 per cent.

The directors report that work is proceeding on the installation of an additional baking plant in the new factory at Tallaght and a further baking plant has been designed and ordered.

When erection and commissioning is completed in early 1977, the group will have the capacity to bake and process all its biscuits at Tallaght.

Further progress is expected over the next *few months, in* other areas of the physical investment programme required to complete centralisation of all current activity on the Tallaght site.

Walker & Homer upsurge

MANUFACTURING upholsterers, *Walker and Homer, reports that* after an advance from £170,224 to £253,426 at halfway, pre-tax profit for the full year to July 31, 1975, more than doubled from £251,523 to £582,014.

Earnings per 5p share before extraordinary items are shown to have risen from 1.96p to 4.79p and the dividend total is lifted from 0.75p to the maximum permitted *1.17927p net with a final payment of 0.82927p.*

	1974-75	1973-74
	£	£
Turnover	6,426,722	4,356,297
Pre-tax profit	582,014	251,523
Tax	310,227	140,415
Net profit	271,787	111,108
Extraordinary debit	—	41,866
Retained	204,815	27,500

Burrell slumps to £2,200

MANUFACTURERS of chemical colours, Burrell and Co. reports *a slump in pre-tax profits from* £445,000 to £2,200 for the first half of 1975.

The interim dividend is held at 0.1925p net. Last year's total was 0.6p paid from profits of £70,700 before tax.

	First half 1975	1974
	£	£
External sales	2,253,331	2,911,091
Trading profit	122,199	515,400
Depreciation	66,900	63,300
Interest	53,900	4,910
Pre-tax profits	2,200	445,000
Taxation	1,200	237,500

As mentioned at the AGM the company has suffered from "an unprecedented reduction in demand" say the directors.

Although present evidence suggests that the situation has stabilised, the capital-intensive nature of the business precludes proper profits when capacity is substantially under-utilised.

As soon as demand returns to more normal levels therefore "a marked effect on profits can be expected," members are told.

B & I Nathan first half upsurge

Taxable profit of B. and I. Nathan, North London furniture manufacturers, more than doubled from £31,000 to £71,000 on turnover up from £984,000 to *£1,446,000 for the 28 weeks to July* 11, 1975. For all 1974 pre-tax profit was £125,349.

Chairman, Mr. Jerrold Nathan, forecast in May that the interim figures would be "well up" on 1974 and added that he expected those for the current full year also to show an improvement.

The interim dividend is raised from 0.75p to 1p net—last year's total was 2.5p.

Commenting on the first 28 weeks, Mr. Nathan says the new factory in Worcester is in production and all initial costs and overheads incurred have been deducted in arriving at the group profit. The new project is still incurring substantial costs which will continue to be written off against profits, he adds.

Turnover and trading profit at the Edmonton, London, factory continue "satisfactory" and the directors are confident that the Worcester factory will contribute to profits in 1976.

	28 weeks 1975	1974	Year 1974
	£	£	£
Turnover	1.45m.	0.98m.	2.03m.
Profit before tax	71,000	31,000	125,349
Taxation	27,000	16,000	70,640
Net profit	44,000	15,000	54,709
Dividend	18,489	13,867	46,223
Retained	25,311	1,133	8,486

Lake & Elliot planning for growth

A SATISFACTORY start has been made in the current year at Lake and Elliot reports the chairman, Mr. Peter Lake.

The energy related industries at home and abroad will continue to expand unless there is an unexpected worsening in world economic conditions, members are told and directors are therefore planning for further growth in the year.

Further penetration is being made into overseas markets and an expansion programme is being implemented, of which the current negotiations for the acquisition of the net assets of Lomax and Smith, of Dundee, are a part.

As reported on October 3, *group* turnover expanded from £10.04m. to £15.89m. in the year to July 31, 1975, and pre-tax profits jumped from £0.51m. to £1.56m. The dividend is 3.15809p (2.93124p) net.

Engineering activities contributed 60 (64) per cent. of turnover and 34 (31) per cent. of profit, foundry activities contributed 40 (36) per cent. and 66 (69) per cent. respectively. Exports rose from £1.46m. to £2.49m.

Mr. Lake says that these results "fully justify" the policy of *increasing involvement with the* expanding energy related industries and reflect the benefits now being obtained from past capital expenditure and a considerable improvement in co-ordination by management.

In spite of additional investment required to finance increased sales and that required for the further increase envisaged for 1975-76, group net bank borrowings have been reduced from £2.09m. to £1.52m. This improvement includes £324,000, being the proceeds from the sale of land, but the remainder is due to the control of resources.

The valve companies, Cockburns and Hindle Valves and their subsidiaries, made good progress, and the *foundry* companies, Lake and Elliot Founders and Engineers, and The National Steel Foundry (1914) each gave "a very good account of themselves" during the year.

Lake and Elliot Jacks and Equipment, in a difficult year for sales in the automotive industry, concentrated on production of heavier classes *of hydraulic jacks* and effected greater success in overseas markets. It thereby achieved an increase in sales and a profit on trading, although the latter was eliminated by interest charges arising from past losses.

Clef Services International SA now operates under Cockburns Services International B.V., and achieved an increase in sales and a profit.

Higher earnings seen by Dunlop

PROFITS ATTRIBUTABLE to shareholders of Dunlop Holdings for the current year are forecast to be in excess of £10.54m., compared with £10.1m. for 1974.

For the first six months a marginal reduction from £5.51m. to £5.27m. is reported. Despite the uncertain outlook for the U.K. economy and the delays in the recovery of some other major industrialised countries present indications are that the attributable balance for the second half should be above that now reported, the directors state.

First half turnover showed an 18 per cent. increase to £493m., but allowing for price increases and exchange rate movements, the sales volume worldwide was slightly lower. Overall, operating profit rose to £27.89m. but margins were lower at 5.7 per cent. compared with 6.4 per cent.

Despite the continuing recession in Western Europe, both profits and operating margins in the U.K. were higher as a result of changes in product and mix. The German tyre operation showed a big improvement and made a small profit, but the cut-back in tyre *demand* had a serious effect on results in France and the European selling companies, the directors state.

Outside Europe, activities in India, Nigeria and South Africa achieved increased profits but these were offset by reduced profits elsewhere, notably in the U.S., Zambia and New Zealand.

Trading results of the Pirelli associates also showed a mixed picture. Profits in the U.K., Brazil, Peru and Greece increased but these were more than counterbalanced by poorer results in Spain, Canada and Argentina.

Total profit before interest and tax was £33.64m.—4 per cent. above the corresponding period of 1974. After higher interest charges and tax, but lower minorities arising mainly in France, the attributable profit was 4 per cent. below the 1974 level.

The directors report that exports remain buoyant and now represent a quarter of the group's ouput in the U.K. Capital spending on modernisation and product development is running "well above last year's levels."

An interim dividend of 1.625p net is declared compared with 1.675p. At the gross level this is equal to an unchanged payment of 2.5p. The total for 1974 was 3.3p net.

Turnover of the Dunlop Pirelli Union in the first half of 1975 rose by 15 per cent. to £874m. but profit before interest and tax was some 3 per cent. lower at £63.7m. After financing charges, up from £26.5m. to £38.26m., tax and minority interests, the Union as a whole showed an overall loss of £1.88m. against a profit of £9.93m.

This was due to the Italian situation where, despite Industrie Pirelli holding its operating profits at about the 1974 level, the sharp increase in financing charges and the change in the sterling/lira exchange rate resulted in an attributable loss of £11.7m. compared with a loss of £1.9m. for the first six months of last year. None of this loss falls on Dunlop Holdings, it is pointed out.

The results of Dunlop Holdings compare in the table.

	First half 1975 £m.	First half 1974 £m.	Year 1974 £m.
External sales	493.00	419.09	858.80
Trading balance	47.26	43.93	93.97
Plant hire, etc.	2.49	2.29	5.29
Depreciation	16.99	14.99	30.47
Operating profit	27.89	26.65	58.21
Govt. grants	0.82	0.86	1.61
Investment income	0.43	0.69	1.22
Share of associates	4.40	4.19	8.77
Profit before int.	33.64	32.28	69.81
Financing charges	13.81	11.33	25.97
Profit before tax	19.83	20.83	44.04
Taxation	11.31	11.28	24.43
Net profit	8.52	9.55	19.61
Minorities	3.25	4.04	9.51
Attributable	5.27	5.51	10.10
Extraord. credit	—	—	0.82

During the first half of 1975 the rise in Dunlop group borrowings was limited to £14m. (6 per cent.), giving a total of £234m.: the increase is wholly accounted for by exchange rate movements. At the end of June: borrowings represented 67 per cent. of shareholders' funds compared with 68 per cent. at end-December, 1974.

Agreement has been reached with FCI for a loan of £25m. (£15m. at a fixed rate and £10m. at a floating rate), for ten years *repayable over the last five*. This will be additional to existing facilities available from the group's bankers. Of these, £25m. are to be provided by the Clearing Banks on a five-year basis.

See Lex

Big drop at Hunting Gibson

INCLUDING A profit of £459,000 arising from the early termination of a charter party by the charterers, the subsequent sale of the ship and a settlement by underwriters, first half 1975 pre-tax profits of Hunting Gibson show a sharp drop from £2,112,000 to £676,000.

And results for the second half are expected to be similar to those of the first. Profits for all 1974 were £3.43m.

First half earnings are shown to be down from 48p to 13.5p per £1 share. The interim dividend is held at 5p net, costing £87,000—last year's total was 9.0174465p from earnings of 74.5p.

	First-half 1975 £000	First-half 1974 £000
Turnover	32,026	32,076
Profit before tax	676	2,112
Tax	348	1,072
Net profit	328	1,040
Minorities	44	194
Preference dividend	15	15
Attributable Ordinary	269	851

The continuing depression of shipping freight rates coupled with a decline in the volume of world-wide trade adversely affected the profitability of the shipping and oil businesses in the U.K., France and Canada, state the directors.

The half yearly dividend on the 6 per cent. Preference due on December 31, 1975 will be calculated in accordance with a recent High Court decision by reference to the current rate of ACT. The effect is that holders will receive a dividend at the rate of 1.95 per cent. against 2.1 per cent. previously.

Hopkinsons sees better second half

DESPITE "very disappointing" results at midway—taxable profits down from £544,000 to £291,000—Mr. I. G. Hopkinson, chairman of Hopkinsons Holdings, says that if evidence of current trading continues, then trading profit for the full year should be similar to that of last year.

The interim dividend is held at 0.75p net. Last year's total was 4.11875p from profits of £1.29m.

	Half year £000 1975	Half year £000 1974
Turnover	11,701	8,294
Trading profit	497	565
Interest paid	219	34
Invest. income, etc.	13	13
Profit before tax	291	544
Tax	159	290
Net profit	132	254

Results of the first half were adversely affected by the lengthy period of industrial action culminating in several weeks of complete cessation of output at the major manufacturing subsidiary, Hopkinsons, explains Mr. Hopkinson.

Additionally, the effect of completion of an exceptional amount of now unremunerative long-term fixed-price contracts resulted in a small trading loss at J. Blakeborough, he adds.

The group manufactures boiler mountings, valves, etc.

Drop at New Throgmorton midway

Profit before tax of New Throgmorton Trust slipped from £523,046 to £478,723 during the six months ended September 30, 1975. The figure for the full year to March 31, 1975 was £1.02m.

Stated earnings per 25p Income share for the first half are down from 0.823p to 0.708p—for last year they were 1.672p. An interim dividend for the current year of 0.45p net has already been announced. The 1974/5 dividends totalled 1.66625p.

	Six months 1975 £	Six months 1974 £
Gross revenue	842,895	940,265
Admin. & int. charges	364,082	417,219
Pre-tax profit	478,723	523,046
Tax	201,612	201,092
Net profit	277,111	321,954
Dividends	176,112	176,107
Forward	188,566	227,717

CLYDE GENERAL

The interim distribution on Income Units of the Clyde General Trust Fund for the accounting period to April 19, 1976, will be 1.00p net per unit, payable December 8. The corresponding payment last year was 0.800p net per unit.

Costs and competition hit UBM at halftime

The difficult trading conditions of 1974-75 at UBM Group have continued in the first six months to August 31, 1975, with pre-tax profit showing a decline from £3.05m. to £1.71m. For the full year ended February 28, 1975 the figure was £5.07m.

Although sales in the half year increased in value from £65.98m. to £70.07m., operating costs rose sharply and highly competitive market conditions put pressure on margins, says the chairman, Mr. M. G. Phillips. Since June, sales have been running at a "significantly higher rate of increase over the corresponding period of 1974."

The interim dividend is being held at 1.75875p net—last year's total was 4.19975p.

With payroll representing by far the highest item of group costs, the chairman reports that in spite of the reduction in the number of employees compared with a year ago the consequent savings have been absorbed by increases in pay under the group's index linked scheme. This is now subject to the Government's policy of pay restraint.

Other operating costs have been held below budgeted levels and there was a reduction in interest charges.

	Six months £000 1975	Six months £000 1974	Year £000 1974-75
Sales	70,068	65,975	131,381
Profit	1,709	3,048	5,070
Taxation	897	1,583	2,863
Net profit	812	1,465	2,485
Extraord. credits	190	56	113
Preference dividend	13	13	26
Attributable Ord.	979	1,508	2,492
Interim dividend	692	685	1,645

● comment

UBM needs to make close on £3½m. pre-tax this year if it is to cover a maintained dividend, and after six months the group has roughly half this total under its belt. But a hard winter could upset the earnings hopes in the current half, and clearly group margins are still under considerable pressure. It looks as if the sales trends are improving, with volume declines in September of 2 per cent. against falls of a tenth over the six months to August; and the latest timber stock write-offs might be the end of this particular problem. The shares edged up ½p to 64p yesterday where the yield is 10.2 per cent.

Guildhall Property advance

A pre-tax profit increase from £355,796 to £410,853 is reported by Guildhall Property for the year to June 30, 1975.

When reporting an advance from £172,620 to £197,350 at halfway the directors said they anticipated that results for the full year would show a "modest" improvement.

Yearly earnings per 25p share are given at 3.36p against 2.8p and a final dividend of 1.483p net raises the total from 1.8675p to 1.9855p. The company is "close."

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends considered are interims or finals and the sub-division shown below is based mainly on last year's timetable.

TO-DAY

Interims:—Allebone and Sons, Coates Brothers, R. H. Cole, R. and A. G. Crossland, Downs Surgical, Ever Ready, Geers Gross, Harrison and Sons, P. C. Henderson, Arthur Henriques, W. E. Norton, Reed International.

Finals:—Hugh Baird, British Electronic Controls, Construction Holdings, Countryside Properties, J. Hepworth, Pontins, Stoneware.

FUTURE DATES

Interims:—	
Abrasives International	Oct. 30
Amalgamated Power Engineering	Oct. 28
Bikon (Percy)	Oct. 27
Bradford Property Trust	Oct. 28
Copydex	Oct. 28
Estate Duties Investment Trust	Oct. 28
Feb International	Oct. 30
Ferguson Industrial	Nov. 21
Francis Industries	Oct. 31
Grain Shipping	Oct. 29
Grampian Television	Nov. 20
Gresham House Estate	Oct. 29
Harrison (James)	Oct. 30
London and Northern	Nov. 12
Mallinson (William) & Denny Mott	Nov. 4
Melville Dundas and Whitson	Nov. 25
Marchwiel	Nov. 20
Readicut International	Nov. 5
Sandeman (George G.)	Oct. 31
U.K. Optical and Industrial	Nov. 27
Finals:—	
Aeronautical & Gen. Instruments	Oct. 28
Berry Trust	Nov. 14
Border & Southern Stockhldrs Tst.	Oct. 28
Brooke Bond Liebig	Oct. 28
Lighting and Leisure Industries	Oct. 28
Transvaal Cons. Land & Exploitn.	Oct. 30
United City Merchants	Oct. 29
Wolseley-Hughes	Nov. 7

Mothercare ahead at mid-term

ON SALES up from £23.46m. to £27.72m., pre-tax profit of Mothercare, the maternity and babywear group, improved to £3.62m. in the half year to September 27, 1975 from £3.23m. last time.

The net interim dividend is increased to 1.657p per 10p share from 1.261p, absorbing £531,715. At the gross level the dividend is raised to 2.549p from 1.882p a share, representing the maximum allowed for the year. In the year to March 29, 1975, pre-tax profit was a record £7.4m. from which net dividends totalling 4.366p were paid.

	First half 1975-76 £000	First half 1974-75 £000
Sales:—		
U.K.	25,010	21,078
Overseas	2,711	2,383
Total	27,721	23,461
Profit before tax:—		
U.K.	3,370	3,000
Overseas	254	251
Total	3,624	3,251
Share associates' losses	—	33
Taxation	1,886	1,700
Net profit	1,738	1,528

Sales exclude VAT and sales of raw material fabric to manufacturers of £314,623.

During the half year a new store was opened at Woking which brings the total to 165—of which 151 are in the U.K. The directors point out that accounts of foreign subsidi[aries] have been made up to an[d in]cluded for the 26 weeks e[nded] August 30, 1975.

See Lex

Henry Bo[ot] first half headway

IN THE first half of 1975 pr[e-tax] profit of construction engi[neers] Henry Boot and Sons, expa[nded] from £731,000 to £1,014,00[0 on] turnover up from £14.8[m. to] £20.68m.

There is an interim divide[nd of] 2.5p net this time abso[rbing] £133,000. Last year a single [pay]ment of 6.5p was made.

After tax of £528,000 a[gainst] £381,000 the net balance fo[r the] six months emerges £1[...] higher at £486,000.

London Brick dividend

THE INTERIM dividen[d of] London Brick is lifted from 1.5835p gross—the net is up 0.67p to 1.029275p—per 25p for 1975.

Because the 1974 dividen[d] had to be cut, and in view [of the] recovery made this year [the] directors have obtained Tr[easury] consent to pay dividends fo[r...] up to the same level as pa[id for] 1973.

The 1974 gross total 2.78117p—1.82776p net—per [share] compared with 3.675p g[ross] 2.50155p net—for 1973.

In determining the amo[unt of] the current interim the di[rectors] have had regard to the desir[ability] of smoothing holders' inco[me over] different tax years.

They report that the steps [taken] in September to further in[crease] production have been succ[essful] and the additional output [is] helping to augment deliveri[es. As] known, first half taxable [profit] recovered from £1.38m. to £[...] with the net balance up [from] £354,000 to £2.33m.

Hay's Wharf repayment

The Board of The Proprie[tors of] Hay's Wharf intends t[o ask] holders of the 6 per cent. [Deben]ture Stock 1978-83 and the [...] cent. Debenture Stock 198[...] accept early repayment.

The proposed terms are £[...] cent. for the 6 per cent. [...] stock and £81 for the 6½ pe[r cent.] 1984-87 together with a[ccrued] interest.

Notices will shortly be [des]patched convening the ne[cessary] meeting of holders.

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BIDS AND DEALS

Atlas Stone growth forecasts

A FURTHER communication to shareholders, the Board of Atlas Stone, currently subject of a bid from Compagnie Financiere Eternit SA, forecasts that pre-tax profits of Atlas for the year ending October 31, 1975, will be in excess of £650,000 including a profit of £40,000 on the realisation of certain securities.

The forecast has been made in reply to suggestions made by Eternit's financial advisers, Charterhouse Japhet, that the Atlas directors have been unwilling to give bad news about the current level of earnings.

The group is reluctant to make projections for the following year but says "conditions are currently improving." Orders for Atlas Stone's asbestos cement products are much above the depressed levels ruling earlier this year and output and profit margins are increasing."

Atlas takes the opportunity to restate its view that the commercial advantages "will only benefit the proprietors of Eternit and not the shareholders of Atlas Stone." The Eternit offer was extended for a further two weeks from the original closing date of October 16.

Comment

The awkward problem facing Atlas Stone shareholders is that the shares had been extremely poor performers prior to Eternit's bid, having hardly budged in the previous 12 months compared with a near-doubling of the building materials sector index. The group's profits forecast, implying a drop of nearly a third in second-half profits (excluding profits on security sales), indicates a prospective exit p/e of 9 at 93p, the bid price, barely a point below the historic sector average. The cash offer capitalises the group at a shade below prospective net asset value, which again is not over-generous, but then a forecast yield of 8.7 per cent. is not very exciting either. The deciding factor must be hopes of earnings recovery. The point here is that volume and margins are now on the uptrend and loss elimination, in paving slabs and kerbs, is worth perhaps £200,000 to next year's profits. Future profit potential should, in theory, outweigh the present narrow marketability of the shares.

Normand buys Electro

The directors of Normand Electrical Holdings and Rotork have agreed in principle for Normand to buy Electro Power Gears, a subsidiary of Rotork for £1m. cash. In addition Normand has agreed to pay the inter-group debt owed by EPG to Rotork of some £200,000.

Normand intends that EPG will continue to develop and expand as an autonomous unit in Aylesbury. EPG's profit before tax for 1974 was £226,207 and net asset value at the year end was £749,226.

Rotork intends to use the proceeds to further development of its actuator and sea truck divisions.

Acquisition by Wadham

Wadham Stringer has acquired S. Shipside from United Engineering for £623,000 cash.

The book value of UE's investment in Shipside was £694,367. Net tangible assets of Shipside at July 31, 1975, were £885,461 and pre-tax profits £65,000 for the six months to July 31, 1975.

UE has sold the properties occupied by Shipside to Wadham for £456,277 cash. Group indebtedness of £421,926 due from UE and subsidiaries to Shipside has been repaid.

PERMALI

The directors of Permali announce that they intended to despatch a circular to shareholders in connection with the revised BTR offer.

This will contain, inter alia, a profit forecast for the year ending March 31, 1976, and a revaluation of the group's properties. The directors "will continue to advise shareholders not to accept the revised BTR offer."

Amalgamated Investment

In his annual statement Mr. ... Harrison, chairman of Amalgamated Investment and Property, tells members the group's portfolio will continue to be reviewed and, when appropriate, assets will be realised in order to reduce the level of short term borrowings.

The group is pursuing a "... " policy of marketing completed developments and the chairman feels confident that its properties remain competitive in terms of rental, quality and location.

He says there is little doubt that when economic conditions improve, demand for all kinds of accommodation will quickly outstrip supply.

The rent freeze, while a temporary setback, was abolished in ... 1975, and rent reviews which were agreed during the freeze became collectable, increasing the rent roll by £560,000 per annum. This will further substantially increase when reviews and lettings occur.

Although substantial lettings have been achieved during the year the group has not yet succeeded in securing a firm commitment to let Amalgamated House. Further serious negotiations are currently taking place with interested parties.

Negotiations are also in hand for the letting of two wings of Station House, Basildon, and inquiries are being processed for the rest of the space. The chairman says he is confident of securing lettings at a very satisfactory level of rent soon.

As reported there was a loss, before tax, of £1.31m. in 1974-75, compared with a profit of £5.76m. The dividend is 0.25p (1.416p).

The auditors' report says the accounts have been prepared on a going concern basis on the assumption of continued support from the group's bankers and other financial institutions. It refers to the opinion of the directors that the property market at March 31, 1975, was restricted to such a degree that it is not possible to determine an open market value for the investment properties and they do not consider any adjustment to the book value of properties and shares in subsidiaries is warranted until a more stable market is established. Also referred to is the subject of the directors being unable to evaluate the group's interest in the Hay's Wharf development together with the associated bank guarantee and the investment in Amalgamated Caledonian.

Go-ahead for R250m venture

THE GO-AHEAD is now announced for the R250m. (£140m.) heavy mineral project at Richards Bay in South Africa. The shareholders are Canada's Quebec Iron and Titanium with 50 per cent. and South Africa's Union Corporation and the State-controlled Industrial Development Corporation of South Africa each with 25 per cent.

This decision is subject to the arranging of loans, the bulk of which are to be raised overseas. The project comprises an ilmenite, rutile and zircon mining operation, which will be controlled by Union Corporation, and a Quebec Iron and Titanium-controlled smelter which will convert ilmenite into high-grade titania and special low manganese pig iron.

As reported here earlier this month, the president of the Industrial Development Corporation, Mr. J. J. Kitshoff, has said that the venture could have a foreign currency earnings potential of about R100m. per year at present mineral prices.

CONCERN OVER 'IRON CARTEL'

The Western Australian Minister of Mines, Mr. Andrew Mensaros, has bitterly attacked his country's membership of the Organisation of Iron Exporting Countries reports our Perth correspondent. Mr. Mensaros said that Australia's membership decision was taken without consultation with Western Australia, the country's major exporter of iron ore.

He warned that the organisation could have serious consequences if it were modelled on the Organisation of Petroleum Exporting Countries (OPEC). "Apart from my principal oppositions to cartel arrangements, this (iron) association is not even practical and can rebound on its members.

"I believe that the Commonwealth in its greed has acted too hastily and in a quite unprincipled way in joining this body. It is much more important to regain and retain the confidence in fair and active dealing with iron consumers." Clearly, a factor behind Mr. Mensaros' concern is the decision by Australia's main iron ore competitors, Brazil, Canada and Sweden to stay outside the iron cartel.

MINING NEWS

MIM Holdings bangs the McArthur drum

BY LESLIE PARKER, MINING EDITOR

THE ANNUAL report of Australia's major copper-lead-zinc producer MIM Holdings contains much of domestic interest to shareholders including the heavy weight of the country's tax measures, both federal and state, on the company's future and that of the down-under mining industry in general.

Of far wider import is the directors' verdict on MIM's McArthur River zinc-lead project in the Northern Territory. They still reckon that it will be a great mine one day. But it will be years, perhaps decades, and involve the commitment of hundreds of millions of dollars, before there is a return on the investment therein.

Big companies such as MIM are the only ones geared to take the financial risks involved it is rightly claimed and to sustain huge unproductive capital expenditure "with the long-term objective of providing the world with its mineral requirements into the 21st century." Governments please note it might well have been added when concluding that after 20 years the McArthur story is barely beginning.

For MIM in the short term the directors have little joy to offer. Tax, royalties, cost inflation and low metal prices are still the predominant factors. But at least the group continued to look for fresh opportunities with a widespread exploration programme which extends beyond Australia into Papua-New Guinea, New Zealand, Fiji and the Philippines.

Yesterday it was announced that a wholly-owned subsidiary Bowen Consolidated and Wood Hall's Dacon Collieries were merging their north Queensland coal mining operations in order to improve the field's competitive position in the export market.

MIM are 208p. As reported here on Wednesday, the company has made a dispiriting earnings start to its current financial year to next June. The chairman, Sir James Foots, should be giving his further verdict on the 1975-76 prospect at the meeting in Brisbane on November 18. Bulls of the shares can only hope that it will be a little more encouraging than that propounded in the September quarterly report. This seems unlikely.

Hard times for CGFA

NEXT YEAR will be a "very difficult" one for Consolidated Gold Fields Australia in the view of the chairman, Sir Brian Massy-Greene. At the Sydney meeting he pointed out that the mining industry has already seen unprecedented increases in wages and costs "while for many of our products we are faced with static or falling revenues."

He added that the Australian mining industry's ability to compete in overseas markets is being savagely eroded "at a time when we should be building on to the achievements of the past decade." Nor could Sir Brian see any early improvement in metal revenues.

He echoed the views expressed by other mining industry spokesmen recently with the comment that, despite the many forecasts of a resurgence of demand in the major industrial countries of the world, "we cannot see in most of the commodities that concern us any prospect of an early return to anything like normal levels of demand."

The London parent, Consolidated Gold Fields, has an interest of 68 per cent. in CGFA. Shares of the latter were steady at 250p in London yesterday.

BULLION SALES KEEPING UP

South Africa seems to be settling down to an orderly pattern of gold sales on the free market following the earlier disruption caused by the International Monetary Fund's proposal at the end of August to sell 25m. ounces of metal: weekly retentions in reserves of newly mined gold subsequently rose to as much as 30 per cent. in the week ended September 19.

Since then, the retentions have been dwindling and over the past two weeks the Reserve Bank has been selling virtually all the fresh production, now running at around 14½ tonnes per week, on the free market. Latest figures show that in the week ended October 17 the Republic's gold holdings rose by only R47,000, to R530.7m., indicating that under 0.04 of a tonne was taken into reserves.

After the IMF statement the gold price slumped from $139.50 to $128 per ounce at one time on September 23, but it rallied to over $140 by the end of that month. Since then, apart from on two occasions, it has closed above the $140 level.

Thus, the value of the metal sales to the mining companies is recovering and has been given a further boost in rand terms by South Africa's recent 17.9 per cent. devaluation against the U.S. dollar. Yesterday bullion closed at $144.

ZAMBIAN COPPER DIFFICULTIES

Zambia's Minister of Mines and Energy, Mr. A. J. Soko, has commented in London on the "rough time" being experienced by his country's big copper industry which is suffering from depressed metal prices coupled with severe transport problems. And he has forecast that the gloomy world economic situation will persist for the next six to nine months.

Regarding the loss of the important transport route via Rhodesia which has stemmed from Zambia's closure of her border with that country, Mr. Soko said that "political considerations and moral principles in situations such as these have to prevail over all other considerations, in spite of cost."

He still hoped that the copper transport problems which have arisen following the closure of the Angola route would be overcome. At the moment Zambia needs to transport some 60,000 tonnes of export metal per month but only two ports are available, Nacala in Mozambique which can take only 15,000 tonnes and Dar-es-Salaam which so far has handled little more than 30,000 tonnes.

Zambia is increasing road traffic through Malawi to connect with the railway systems to the Nacala and Beira ports while a new direct road link to Mozambique is being opened. Use is also being made of the new Tanzania-Zambia railway which when fully operational should have the capacity to haul Zambia's entire metal production. However, sources in Lusaka believe it could take up to two years before the line is in full operation.

GRA Property requests share suspension

BY KEITH LEWIS

DEALINGS IN the shares of GRA Property Trust the greyhound racing and property group, were suspended yesterday at the company's request due to "pressing liquidity problems arising from the group's property activities." At a suspension price of 10p, GRA has a market capitalisation of £3.16m., which compares with a peak valuation earlier this year of just under £12m.

The major loan creditors of GRA Property Trust, GRA Developments and GRA Promitions have agreed in principle to "an informal moratorium" during the period to December 31 this year, when the situation will be further reviewed. Effectively this means that the creditors will temporarily waive payments of loan interest which will be recouped at some later stage.

The creditors of Kay-Bevan, GRA's building and construction subsidiary have not, however, agreed to a moratorium and the Board of Kay-Bevan is giving "urgent consideration" to the position arising as a result of this decision.

Meantime the groups greyhound racing and other leisure interests are continuing to operate normally and profitably. GRA is asking for creditors' support to carry out a major programme of retrenchment as a primarily leisure-based company, and intends largely to withdraw from its property activities.

The preliminary profit statement from GRA in June, covering the 12 months to the end of 1974, showed annual pre-tax profits down from £1.53m. to £111,000. The slump was attributed to the inability to sell properties and so reduce interest charges; net interest over the period amounted to £1.82m., against £1m. The audited accounts are unlikely to appear for some time due to difficulties in valuing the group's properties.

GRA'S 27 per cent. holding in J. Coral Holdings—worth roughly £3½m. last night—was the subject of some speculation yesterday and J. Coral shares closed 5p lower at 80p. So far no decision has been taken as to the future of this holding and the Coral Board has not been consulted.

Major Board changes are also announced at GRA. Mr. E. J. Aaronson being appointed as chairman and chief executive in succession to Mr. P. B. Lucas who will become vice chairman. Mr. Aaronson has recently acted as Mr. Kenneth Cork's representative in dealing with the Lyon Property Group.

Mr. J. N. Sutton is to become group assistant managing director and Mr. B. M. F. Franks and Mr. J. E. Cearns in relinquishing their respective non-executive appointments have agreed to remain as directors. Mr. P. L. Levy has resigned from the Board.

ANGLO-THAI

Following the Estates House Investment decision to accept the revised offer from Inchcape, the Board of Anglo Thai feels it can no longer recommend shareholders to reject the offers.

The directors intend to accept in respect of their holdings of Ordinary and Preference shares representing 0.36 per cent. and 0.60 per cent. respectively.

BRITISH COTTON

The British Cotton and Wool Dyers' Association proposals for the redemption of the £620,000 4 per cent. First Mortgage Debenture Stock were approved at the extraordinary meeting. Repayment warrants will be despatched on October 31, together with warrants covering interest accrued.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p	+ or −	Div. Amount	Times covered	Gross Yield	P/E Ratio
4	F.P.	—	163	151	Corn Exchange	131	...	b1.62	2.5	1.6	—
‡83	F.P.	7/11	110	83	Blandford Gd Min'g 30.30pm	...	—	—	—	—	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price	+ or −
‡‡	F.P.	21/11	95	80	Adwest Grp. 10½% Conv. 96/2000	94	...
A**£99	F.P.	17/10	99	97½	Bristol Water 8% Red. Pref 1980	96½	+1½
£100	F.P.	—	100½	98	[illegible] Notes 1980	98	......
£98½	£50	—	51½	50	City of Liverpool 13½% Stk. 1981	50¾	−¼
£99	F.P.	5/9	102½	96	Clayton Dewandre 10% Deb. [illegible]	101½	......
£99¼	£30	11/2	30¼	24⅛	Coventry (City of) 13½% Red. Stck. 1980	29½	−¼
£98¼	£45	5/12	46¼	44½	Derby Borough Council 13½% Stk. 1982	45¼	−¼
‡£1	F.P.	9/9	100¼	95½	Fodens 10% Conv. Red Cum Pref.	43p	...
‡£100	F.P.	15/10	128½	113	Haslemere Est. 9½% '90-5	119	+2
£100	F.P.	25/11	106¼	102	Hoechst 10% Guar. Ln. 1980	106	+1
£100	£50	9/1	51½	49⅞	Islington 13½% Red. Stk. 1980	50⅛	−½
£100	£50	9/1	49¾	47½	Do. 14% Red. Stk. 1985/6	47¾	−¼
‡‡	F.P.	—	111	94	Johnson&Firth Brown 11.05%Cm. Conv.Pr	112	+1
‡£98	£40	22/8	69½	40½	Land Secs 10% Conv. [illegible]	62½	....
‡‡£98	£10	28/11	11	10½	Lee Valley Water 9% Red. Pref. 1980	11	....
£98	F.P.	26/9	109¼	97	Newcastle & Gate 9% Red. Prf. 1980	99	....
—	F.P.	—	98	92	Noranda 9½% Notes 1980	$C.98	...
—	F.P.	—	98	98	Do.	$C.[illegible]	....
£98	£25	23/1	27½	26	Norcros 12½% Deb. 1990/95	26	.....
£100	F.P.	28/11	120	100	Spirella 14% Conv. 1990	120	+8
‡‡	F.P.	29/5	120	98¼	Whitbread 11% Conv. 1995	120	+4
£98	F.P.	31/10	99½	98¾	York Waterworks 9% Red. Pref. 1980	99	..

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date		1975 High	1975 Low	Stock	Closing Price p	+ or −
58	F.P.	22/9	30/10	132	100	BPB Ind.	132	−1
26	Nil	28/10	25/11	46	37	Babcock & Wilcox	43pm	+1
25p	F.P.	6/10	14/11	57½	49	European Ferries	56	+1
60	Nil	30/10	28/11	14½	10	Grand Met. Hotels	13pm	+1½
260	Nil	—	—	98	70	I.C. Gas	94pm	−4
10p	F.P.	4/11	—	100	34	Ladbroke	93	+2½
41	F.P.	29/8	14/11	70	60½	Norcros	70	+1
25	Nil	30/10	9/12	39	34	Northern Foods	36½pm	+1½
25p	Nil	—	—	4½	3	Peabock Sasini	2½pm	...
220	F.P.	17/10	14/11	308	260	Royal Insurance	306	+8

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p** Pence unless otherwise indicated. a Forecast dividend cover based on previous year's earnings. T Figures assumed. : Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender ‡ Offered to holders of Ordinary shares as a "rights." ¶ 298.5 Afr cents † Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. :: Issued in connection with reorganisation merger or take-over. ♣ Introduction ♠ Issued to former Preference holders. ; Allotment letters (or fully-paid). ↑ Provisional or partly-paid allotment letters. § With warrants.

COMPANY ANNOUNCEMENT

South African Townships, Mining and Finance Corporation Limited (S.A. Townships)

(Incorporated in the Republic of South Africa)

Scheme of Arrangement between S.A. Townships and its shareholders (other than Rand Selection Corporation Limited ("Rand Selection")) and Rand Selection

The Scheme of Arrangement (the Scheme) which, as announced in the Press on 13th October 1975, was approved at a meeting of S.A. Townships shareholders (other than Rand Selection) held on 9th October 1975, was duly sanctioned by an Order of the Supreme Court of South Africa (Witwatersrand Local Division) ("the Court") made on 21st October 1975.

The Court has also granted an order confirming the reduction of the share capital of S.A. Townships and it is confirmed that the date on which the Scheme will become operative will be 27th October 1975, i.e. the date on which the Court Order will be registered by the Registrar of Companies.

The last day for S.A. Townships shareholders to register for purposes of the Scheme will be 24th October 1975. Until the close of business on 24th October 1975 S.A. Townships will accept duly completed documents for the registration of transfer of shares in its capital. For this purpose duly completed documents enclosed in an envelope postmarked with a date not later than 24th October 1975 will be accepted by S.A. Townships provided they are received by not later than 29th October 1975.

S.A. Townships shares will be delisted on The Johannesburg Stock Exchange and The Stock Exchange in London at the close of business on 24th October 1975. The Johannesburg Stock Exchange and The Stock Exchange in London have granted listings for the 475 873 new Rand Selection ordinary shares as from the commencement of business on 27th October 1975.

To obtain their share certificate(s) in respect of their entitlement to Rand Selection ordinary shares in accordance with the Scheme S.A. Townships shareholders are requested to surrender their share certificates as soon as possible to Rand Selection's transfer secretaries, Consolidated Share Registrars Limited, 62 Marshall Street, Johannesburg 2001 (P.O. Box 61051 Marshalltown 2107) or Charter Consolidated Limited, P.O. Box 102, Charter House, Park Street, Ashford, Kent TN24 8EQ, England. For this purpose a surrender form will be despatched to S.A. Townships shareholders on or about 24th October 1975. In accordance with existing United Kingdom exchange control regulations, S.A. Townships shareholders who are residents of the United Kingdom, the Channel Islands, Isle of Man and Gibraltar and non-residents of those countries whose certificates or other documents of title are lodged with United Kingdom Authorised Depositaries must surrender their share certificates through an Authorised Depositary (e.g. banks and solicitors in and stockbrokers practising in the United Kingdom, the Channel Islands and the Isle of Man). New Rand Selection share certificates will only be issued to the Authorised Depositary surrendering such certificates.

New Rand Selection share certificates will be posted—
(i) On 14th November 1975 in respect of the surrender of documents of title prior to the operative date;
(ii) Within 21 days of the receipt thereof in respect of the surrender of documents of title on or after the operative date.

A notice to holders of share warrants to bearer has been published in the Press today by the London Secretaries of the company giving details of the procedure to be adopted by bearer warrant holders regarding the surrender of their existing bearer warrants.

Johannesburg.
23rd October 1975.

Registered Office:
44 Main Street,
Johannesburg 2001.
(P.O. Box 61587, Marshalltown 2107.)

London Office:
40 Holborn Viaduct,
EC1P 1AJ.

Interim Statement

PROFIT Set out below is the Board's estimate of the profit for the year ending 31st December, 1975 which is considered to be more informative than the provision of half-yearly figures.

	1975 (estimated)	1974 (actual)
Group profit	£6,750,000	£6,250,297
Taxation	£3,100,000	£2,833,154
Profit after taxation	£3,650,000	£3,417,143

The Group Profit Forecast has been arrived at after charging £250,000 special contribution to the Group Pension Fund. The estimate of taxation is based on a U.K. Corporation Tax rate of 52% (1974 52%).

DIVIDEND If the above estimate is realised, the Board again intends to recommend payment of the maximum permitted dividend. They have therefore declared a second Interim dividend of 1.625p per ordinary stock unit which with the first interim payment made on the 1st July, makes a total to date of 2.275p (equivalent to 3.5p inclusive of related tax credits and comparable with 2.94p last year).

This second interim dividend will be paid on 15th December, 1975 to Stockholders on the register on the 14th November, 1975.

TRADING Group external sales for six months totalled £176,000,000 as compared with £204,000,000 for the first half of 1974 and £378,000,000 for the whole year. These figures reflect the trend to lower commodity prices during the latter half of 1974 and the first half of 1975.

Commodities—both as to their availability and price—continue to receive attention from all sides and we have remained active in our roles of intermediary and processor.

FUTURE World conditions—political, economic and particularly in the field of currencies—make it difficult to predict the future. We are however, fortunate in having a wide geographical spread of strong and growing companies and consequently believe that we will continue to give a good account of ourselves in international trade.

R. G. McFALL *Chairman*

Gill & Duffus

The Gill & Duffus Group carries on an international business as merchants, brokers and processors of a wide range of primary commodities.

THURSDAY'S COMPANY NEWS

Spillers recovers to £8½m. in first six months

REFLECTING MAJOR improvements in the group's baking, milling and meat activities, taxable profits of Spillers more than recovered from *£3.14m. to £8.57m.* in the half-year ended August 2, 1975.

At this level they exceed the total for all 1974-75 by £1.22m. and come within £1.75m. of the near record figure of £10.3m. achieved in 1973-74.

Chairman Mr. Michael Vernon stresses that, although the much improved result appears satisfactory, last year's trading conditions were *exceptionally difficult* and the current return on capital employed is "still inadequate for the healthy development of the company at to-day's rate of inflation."

Compared with a jump of 38 per cent. in the previous year first half external turnover in monetary terms rose by 11 per cent. to £276m. in the half year, largely reflecting the relative stability of raw material prices so far.

Volume sales in most product groups were higher with the exception of farm feeds, where a reduction was caused by the general recession in livestock farming and first half profits were significantly lower.

The chairman reports that group trading results in the second half to date have been maintained at the more satisfactory level, and he expects that over the whole group this will continue for the remainder of the year.

The net interim dividend is raised from 0.67p to 0.8125p net per 25p share. This is equal to a gross rate of 5 per cent. (4 per cent.) and the directors expect to recommend a gross total of 15.4 per cent., compared with 14 per cent., the maximum permitted.

	Half-year 1975	1974
Turnover*	276,000	254,000
Trading surplus	14.094	8.918
Depreciation	3.519	3.082
Trading profit	10.575	5.836
Investment income	93	65
Investment grants	200	280
Profit before interest	10.868	6.181
Interest payable	2.703	3.344
Share of associates	407	353
Profits before tax	8.572	3.140
Taxation	4.553	1.623
Net profit	4.019	1.515
Minorities	701	121
Attributable	3.318	1.394

Members are told that the baking group, which incurred a substantial loss in 1974-75, improved its results "dramatically," largely as a result of the long-term rationalisation programme, *and made a small profit* in the summer months; milling benefited from buoyant deliveries and from more stable wheat costs; and the meat company produced a sharply higher profit.

A further favourable factor was the significant reduction in group working capital employed and this has been reflected in the lower interest charges.

Despite the first-half improvement in the bakery division, its year-end results are still expected to show a loss owing to increases in wage and other costs to be borne later in the year, says the chairman.

In Zambia a loss of around £800,000 is expected and this falls to be taken into account in assessing the year's results.

Eleco hits new peak with £1m.

TURNOVER FOR the year ended June 30, 1975, of Eleco Holdings expanded from £7.93m. to £8.34m. and profits advanced from £853,748 to a record £1,036,224 before tax *of £535,907 compared* with £481,028.

At half-way, reporting a rise in profits from £342,000 to £460,000, the directors said that the full year result would be at least in line with the record achieved in 1973-74.

Earnings are shown to be up from 3.48p to 4.12p per 10p share and the dividend total is lifted from 1.329p to 1.418p net with a final of 0.815p.

● comment

The timing of contract completion has distorted the two half-yearly performances at Eleco, but overall profits are some 22 per cent. higher on a 5 per cent. sales gain. During the final quarter, however, there was a noticeable decline in new orders and the group started the year with a much reduced work load. While there has since been an improvement in new orders, it will be some time before they filter through to profits. Couple that with depressed margins and a static volume *situation in engineering, and it* would seem that Eleco needs to run hard to stand still in 1975-76. In the meantime, the shares at 27½p are yielding 8.15 per cent., covered more than three times.

Profit held by Ayrshire Metal

PRE-TAX PROFITS of £203,000 are announced by Ayrshire Metal Products for the 24 weeks ended June 20, 1975, compared with £208,000 for the same 1974 period. The results include redundancy costs of £72,000 (nil) and are after lower interest charges of £26,000, *against £66,000.*

The interim dividend is again 0.875p net—last year's total was 2.625p, paid from profits of £464,000.

The directors report that under the present economic climate of the U.K. the order book is "reasonable, although considerably below the production capabilities." The order book of Metal Trim is at present "unsatisfactory," but considerable efforts are being made to obtain export orders.

Wm. Pickles down after six months

FROM TURNOVER up from £9.19m. to £9.78m., taxable profits of textile manufacturers, etc., William Pickles and Co., fell from £474,383 to £354,031 in the first half of 1974.

The interim dividend is held at 0.243p net. Last year's total was 0.5964p paid from profits of £936,770 before tax.

First-half tax took £118,000 against £205,000. The attributable balance dropped from £264,781 to £231,618.

Saville Gordon outlook

INTERNAL figures of the J. Saville Gordon Group showed that profit for the first six months would not be considerably less *than for the comparable period* last year, chairman Mr. J. D. Saville reported yesterday.

At the annual meeting of this Birmingham-based metal and engineers' merchants, he said he was unable to make any meaningful forecast for the year. Industry was trading at a lower level than six months ago and an improvement in the immediate future seemed "unlikely."

Referring to the group's German company, Metaleg, in Dusseldorf, the chairman said it had made a useful contribution to earnings over the years and the level of its business was such that new office accommodation been taken which would e it to deal successfully wit additional agency work obt

The group was therefore established as International ers and was ready to take a tage of any improvement in national industrial prod noted Mr. Saville.

He pointed out that subst sums had been spent to e and modernise facilities the year. The investment i vious years was "undoubt large contributory factor i abling us to achieve the level that was reached thi and although trade is cur depressed in most areas w that we are following the c policy in continuing to inve

Harrisons & Crosfield rights and forecasts

FORECASTING profits attributable to Ordinary holders (excluding extraordinary items) of not less than £4.5m. for the current year, compared with an annualised £5.55m. for the previous 12 months Harrisons and Crosfield also announces plans to raise some £10.2m. net by way of a one-for-four rights issue at 675p per share.

This is the first instance of a rights issue priced more than 25 per cent. below the market price of the shares at the time of the announcement, since the Treasury tightened its control on Monday over the dividend forecast with such issues. The issue price compares with a closing price of 912p on Tuesday night, though the market price fell sharply after the announcement, finishing 100p down at 812p yesterday—a level which its price of the new shares is pitched less than 25 per cent. below.

An interim dividend of 10p net (costing £634,933) is declared and the directors expect to *recommend* a final of 19p on the increased capital. This total of 29p is equal to 44.6154p gross—Treasury consent has been granted in the context of the rights issue for payments up to this amount. For the previous six month period a *single dividend of 12.0133p* net was paid.

Chairman, Mr. J. F. E. Gilchrist, reports that since the second half of 1974 trading has been adversely affected by the present worldwide recession and *for the first* half of 1975 profits attributable to Ordinary holders (excluding extraordinary debits of £229,000, compared with credits of £228,000) showed a reduction from £3.37m. to £2.07m. Earnings per £1 share are stated to be down from 53.3p to 32.6p.

However, for the second half group earnings are expected to show an improvement over the corresponding period of 1974. Given a return to more normal conditions the directors believe the group is well placed to resume the expansion of the last decade.

With a view to further developing the group, improving efficiency and promoting earning capacity, the Board is actively investigating a number of capital projects particularly in the group's important chemical manufacturing interests in the U.K.

The issue, which involves 1,587,332 Ordinary £1 shares, *applies to holders registered on* October 10. It has been underwritten by Baring Brothers.

Renounceable letters of allocation will be sent out on November 10 for acceptance and payment in full by December 1, and it is expected that dealings will begin on November 11. Brokers to the issue are Cazenove and Company.

Greenfield Milletts improves

FINAL RESULTS for the year to October 31, 1975 of the Greenfield Milletts leisurewear and camping group are expected to show that the first half profit shortfall has been made up in the second half, when there has been a "good increase" over the *same period last year.*

And the directors say the strong upward trend is expected to continue into 1976, for which year they will be looking for a "healthy" profit advance.

The company is to open a further four branches in the Home Counties, bringing the *total number of units in the retail division* to 41.

The directors report that summer trade has been "excellent" and that turnover of *the* West End branches has been given an additional boost by the record *influx of tourists* from abroad.

Previously, they had stated that 1975 would be a year of consolidation—they now report that this has been achieved with a further streamlining and a greatly improved rate of stock turn, and the company is now poised to resume its former growth.

Jessel Toynbee

The directors of the discount house, Jessel Toynbee, say that the company has made a "satisfactory" profit for the half year to October 5, 1975.

The net interim dividend is again 0.875p per 25p share. Last year total was 4p paid from *net profits of £1.03m.* — struck after providing for rebate, elimination of premiums on securities, tax and all expenses, and after transfer to reserve for contingencies.

First-half downturn at Sabah

REPORTING first half 1975 pre-tax profits down from £4.2m. to £2.17m., the chairman of Sabah Timber, Mr. H. G. Townsend, says there are no signs as yet of any real improvement in trade either here or in the East.

Present indications are that results for the second half will be similar to the £1.87m. for the same period last year, he tells members.

Mr. Townsend adds that since *the annual report, which showed* the eliminiation of the overdraft, cash resources have increased steadily.

The interim dividend is held at 0.35p net—last year's final payment was 0.87414p. The company is controlled by Harrisons and Crosfield.

	First half 1975 £000	1974 £000
Turnover	25,138	27,440
Profit	2,173	4,200
Tax	1,209	2,448
Net profit	*964*	1,752
Minorities	3	2
Leaving	961	1,750

BIDS & DEALS

Penguin Inc.-Viking Press talks

Penguin Books Incorporated, the American subsidiary of Penguin Books (itself controlled by Pearson Longman) is holding talks with Viking Press of the U.S. with a view to a possible merger. In the event of agreement being reached, Penguin's ultimate parent company, S. *Pearson and Son,* would provide financial backing for the deal.

No further details are being made available although a complete statement will be issued as soon as discussions have reached a conclusion. The two companies have been in contact for some time, but serious talks have only taken place over the past few weeks.

NORTHBOROUGH DUTCH SALE

Northborough Investment Trust's Dutch subsidiary—Northborough Investments Nederland BV—has completed the sale of its office development in Arnhem for Fl.3.2m. (£587,000) which shows a surplus over cost of Fl.400,000 (£73,000).

After repayment of the development finance and other expenses of sale, the balance of proceeds has been applied in *reduction of* the company's other commitments.

HILLS-BELLAIR

Yesterday's issue inadvertently reported that Hills London Shops was making an offer for the shares it does not already own in Bellair Cosmetics at a price of 28p cash per share. The correct offer price is 18p which compares with last night's closing price of 22p.

ISSUE NEWS

Amal. Distilled rights

Amalgamated Distilled Products is raisinfg about £653,000 by way of a rights issue on the basis of one-for-one at 20p per share.

ADP's directors, who together account for 1,085,557 shares, have undertaken to subscribe for 280,239 of the shares allotted to them. Capel-Cure *Myers* has arranged to place the balance at 28p, and has underwritten the remainder of the issue.

The dividend for the year ending March 31, 1976 will be at least 1.95p net per share on the increased capital for which Treasury consent has been given.

The Board feels it right to raise further permanent capital which will be used both to reduce indebtedness, which increased rapidly last year as a result of the buying in or substantial stocks of mature and maturing Scotch whisky, and to take advantage of opportunities for expansion as they present themselves.

Reed Canada debentures

Reed *Limited*, a wholly-owned Canadian subsidiary of Reed Paper, is planning to issue Can.$50m. 11¾ Debentures Series "A" due to mature on November 15, 1995, at 99½ per cent.

Proceeds will be used to finance planned capital expenditures including a programme to modernise and expand the Reed kraft mill and sawmill at Dryden, Ontario.

Associated Dairies

Salient figures for the year ended	*53 weeks ended 3 May 1975 £000*	*27/4/7.. £000*
Profit before tax	9,882	7,411
Profit after tax	4,586	3,394
Retained earnings	4,084	2,924
Ordinary dividends	1.45247p* per share	1.697p per share

** Capital increased by 1 for 4 scrip issue October 1974*

Extracts from the Statement circulated to shareholder by the Chairman, Mr. A. N. Stockdale

Asda Superstores

The year's trading commenced on a low key but towards the e of summer we experienced a build-up in sales volume whi was applicable to both the food and non-food sectors. autumn an unexpected buoyancy in trade occurred and co tinued throughout the remainder of the financial year. In endeavour to assess the reasons for this up-turn I am of t opinion that the increasing rate of inflation affected the attitu of mind of the public who realised that even a short ter postponement of spending would inevitably result in grea demands on the purse, also wage settlements negotiated duri this period were considerably in excess of the rate of inflation a much of this additional money found its way into consum goods. Possibly the major factor, however, was the growi popularity of superstore shopping which offered a wide range quality merchandise at the most competitive prices to the publ in general, who were showing an awareness of the financ benefit of supporting these establishments which give grea value for money.

Our development programme during the year was on schedul in addition to those of which you were notified in my previo statement, Llandudno was officially opened in April. Satisfacto progress is being made in the construction of another four un at Kirkby (Liverpool), Cambuslang (Glasgow), Chapelto (Sheffield) and Birkenhead.

I am delighted to advise you that your company were al successful in being nominated developers for district centres Dyce (Aberdeen), Estover (Plymouth) and Coatbridge (Gl gow), in face of intensive competition.

Planning consent has been obtained for a superstore Scunthorpe following an appeal to the Department of Enviro ment.

It is most refreshing to see that many local authorities are n taking positive action in the establishment of superstores w adequate car parking in these centres. By so doing they playing a major role in enabling retailers to offer consumer goo at the lowest possible prices, thus making their contributi towards arresting the inflationary spiral.

Dairy Division

Sales have continued to expand, helped by the governmen subsidy on liquid milk. So far as profits are concerned, we dr attention last year to the difficulties arising from the delay recovering cost increases promptly from the governme particularly during a period of rapid inflation. This was borne by the size of the retrospective adjustment required to cover t trade's deficit during the year ending September 1974, resulti in a substantial projection forward into the remainder of current trading year. This delay, together with a disappointi review of the target rate of profit after 3 years, is not encouragi for the future. It is hoped that the government will take su factors into account in their current review of the target rate, a in particular, the enormous increase in the costs of capi investment.

We are now in the process of constructing in the North East, new dairy complex to replace our 2 existing dairies. This will one of the most up-to-date in the UK and will cost in the reg of £3,000,000. New plant and equipment is also being instal in the Leeds and Accrington dairies to handle our increas throughput. Our cheese factory at West Marton celebrates 75th anniversary this year. From small beginnings of 500 ga per day in 1900, it is now capable of turning 12,000-15,000 ga of milk per day into cheese, which is then packed and distribu to our superstores and other outlets. Plans are in hand mechanise part of this process, thus increasing our process and packaging capabilities. Since the year end we have acqui from Northern Foods Ltd their 50% holding in the joint compa Settle Creamery. This will integrate well with our operatio and give us greater flexibility.

We look forward to the government underwriting its promise greater expansion and increasing self-sufficiency in milk a milk products, as published in their White Paper "Food from Own Resources". This must be to the Nation's benefit. Y company's continued investment in additional capacity puts i a good position to handle the extra production that may result.

Prospects

At the time of writing this report, turnover has remained a satisfactory level, and it is particularly pleasing to note t increased volume is being generated by our existing establis ments. If this were not the case there would certainly be ca for alarm; we cannot expect new stores alone to maintain record of growth as we will undoubtedly be faced with furt substantial increases in overheads, and simultaneously we ha statutory controls of margins, both at gross and net level. T results for the financial year are excellent, but we must n however, be complacent as the increase in profits must measured against the recently announced rate of inflation.

Rosenda (Blackburn) Limited

This associate company, which specialises in the manufacture children's dresses, has had a successful year; a new factory recently been built on the existing site and production co menced in June 1975.

Management and Staff

I am deeply indebted to my colleagues, management and st for their unstinting efforts throughout the year, for without th hard work and loyalty there could not have been progress eit for themselves or for the company.

At the Annual General Meeting held on 22nd October, a reso tion giving effect to a Bonus Issue of 1 Ordinary Share for ever held was approved.

Associated Dairies Ltd., Craven House, Kirkstall Rd., Leeds LS3 1.

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HURSDAY'S COMPANY NEWS

Gill and Duffus forecasts £0.5m. advance

'ER A special contribution of 1,000 to the pension fund, tax- profits of the Gill and Duffus up of international commodity kers, merchants and proces-, are estimated at £6.75m. for year 1975, an improvement of e £500,000 on the £6.25m. leved in 1974.

ne directors say they consider estimate of the year's results e more informative than the nsion of half-yearly figures. is estimated at £3.1m. 33m.) to leave a net balance 3.65m. against £3.42m.

the profit estimate is realised again intend to recommend maximum permitted dividend. have therefore declared a nd interim of 1.625p per 25p mary stock unit making a to date of 2.275p, equivalent 5p gross compared with 2.94p. 1974 gross total was 5.292p t 3.4986p.

roup external sales for six ths totalled £176m., compared £204m. for the first half of and £376m. for the whole These figures reflect the d to lower commodity prices ng the latter half of 1974 and first half of 1975, the directors in.

the future, members are that world conditions—politi- economic and particularly in field of currencies—make it ult to predict.

We are, however, fortunate in ng a wide geographical spread rong and growing companies consequently believe that we continue to give a good unt of ourselves in inter- nal trade," the statement con- es.

comment

ite lower commodity prices has been a sufficiently active ket for Gill and Duffus to ipate further growth this albeit at a much reduced an 8 per cent. increase is cted following the two pre- annual advances of 20 per and 64 per cent, respectively. Gill and Duffus has been mely conservative over the two years, with the eventual es well in excess of mid-term ctions. The shares at 122p, fore, where the yield is a ective 4.8 per cent., have speculative lure.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Astbury & Madeley ...int.	0.32	Dec. 30	0.3	—	0.87
Ayrshire Metal ...int.	0.88	Dec. 17	0.88	—	2.63
Trust Union ...int.	4	Dec. 12	0.9	—	2
Leon Berner ...	Nil	—	0.75	Nil	0.73
Eleco ...	0.82	—	0.79	1.42	1.33
Gill & Duffus ...2nd int.	1.63(a)	Dec. 15	—	—	3.5
Gomme ...	3.46	Jan. 5	3.15	4.93	4.62
Gopeng Consolidated 2nd int.	4.5	Jan. 9	3.75	—	14.25
Green's Economiser ...int.	1.06	Nov. 28	0.99	—	1.98
Harrisons & Crosfield int.	10	Dec. 9	—	—(c)	12.01(b)
Jessel Toynbee ...int.	0.55	Nov. 3	0.88	—	4
Keith & Henderson ...	0.89	—	0.84	0.89	0.84
London Trust ...int.	2	Dec. 4	1.33*	—(d)	4.53*
Marshall's Universal ...int.	3.25	Dec. 23	3.06	—	6.14
Sabah Timber ...int.	0.35	Dec. 9	0.35	—	1.22
Sheffield Twist Drill int.	Nil	—	1.52	—	3.06
Spillers ...int.	0.81	Feb. 2	0.87	—	2.29
West Bromwich Spring int.	0.24	—	0.23	—	0.1
Yorkgreen Inv. ...	Nil	—	0.38	Nil	0.38

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Making 3.5p (2.94) gross to date—maximum permitted total forecast. (b) For 6 months. (c) Total of 29p forecast on capital to be increased by a rights issue. (d) Not less than 5p forecast.

shall's Universal to keep profits moving ahead in the first six months despite a sharp downturn in the U.K. contribution. The paper and board division which normally provides the bulk of U.K. profits was the worst performer in the first six months, profits down by £90,000 offsetting an improvement in the engineering side as well as a first time contribution from the U.K. motor interests. The East African Peugeot dealership is continuing to provide the main growth in the second six months with the servicing and spares side becoming a more dominant part of the business. At the same time, the U.K. paper and board interests appear to have bottomed out and profits from here are now showing signs of turning upwards. A similar rise in profits for the full year, therefore, seems a minimum expectation and that would cover a maximum dividend, yielding 7.5 per cent. at 138p almost 4.3 times.

Green's Economiser upturn

First half 1975 pre-tax profits of Green's Economiser Group advanced from £0.63m. to £0.89m. and the chairman, Mr. S. L. Green says that the second half result should be similar. Profits for all 1974 were £1.26m.

First half earnings are shown to be up from 4.57p to 6.5p before extraordinary debits of £17,984, and the interim dividend is lifted from 0.9893p to 1.035p net—half the maximum permitted total for the year. The total for 1974 was 1.9786p from earnings of 9.48p.

Referring to the ammonia business, recently acquired from Albright and Wilson, the chairman says that although there are no separate accounts available, it is estimated that a pre-tax profit of £150,000 per annum should be achieved.

● comment

Green's 42 per cent. pre-tax profits increase, after gains of 43 per cent. and 61 per cent. in the previous two halves, underlines the point that certain areas of engineering can thrive during the present recession. Thus, the group still has a good workload in new heat exchanger products for power stations at home and in South Africa, and for the shipbuilding industry. Repair and maintenance work continues to expand while process plant demand for tubes and motor assemblers' demand for castings has held up strongly, after a midsummer hiccup. A £700,000 expansion in tube manufacturing facilities, together with the £850,000 chemical plant acquisition, should make a hole in last year's net liquid balances of £1.4m., given the calls on cash flow made by working capital requirements which amounted to two-fifths of sales last year. Pre-tax profits could top £1.5m. this year for a prospective p.e of 5 at a peak of 68p, where the prospective yield is 4.8 per cent.

Jessel may modify scheme

ere was continuing un- inty yesterday about the e of Jessel Securities, the trial holding group which ran into a severe financial crisis a year ago.

Creditors have been examining whether to support a reconstruction scheme as an alternative to formal liquidation. There are suggestions that in the past few days support has been growing for liquidation of the company, which has already disposed of many of its assets this year.

After further meetings involving creditors and Jessel's advisers yesterday it is understood that a modified reconstruction scheme is now being considered.

Gomme off £1m. but recovering

REFLECTING A substantial improvement in the last quarter, profits of Gomme Holdings, the G-Plan furniture group, reached £521,000 in the year ended August 1, 1975, compared with £1.58m. for 1973-74.

Chairman Mr. H. N. Sporborg now reports a further improvement in profit in the first quarter of the current year.

The 1974-75 earnings per share are stated to be down from 11.26p to 3.28p. A final dividend of 3.459p (3.15p) is recommended, making a total of 4.926p against 4.617p, the maximum permitted.

Mr Sporborg says that problems outlined at the interim stage are now past and the company continues to have a full order book. The level of future trading, despite the present strong demand for G-Plan, must depend on the national economy.

Capital expenditure was £548,000 (£1,363,000). The company intends to consolidate the advantages of past capital spending amounting to nearly £4m. in the last five years and to concentrate on obtaining full benefit from all resources.

Stocks have been reduced in volume and are only £200,000 higher at £2.79m. in value. The overdraft has decreased by £180,000 to £907,000.

● comment

Although 67 per cent. lower before tax, Gomme's 1974-75 profits are roughly in line with half-time expectations. After the de-stocking phase which hit the group in the first six months ended in January, profits began to suffer from the production problems encountered on new product ranges, largely due to shortages of skilled labour, and consequently virtually all the second-half profits were earned in the final three months. Profits have continued to move ahead in the current year on the back of increased orders: the current order book is almost 50 per cent. better in volume terms than in the corresponding period of 1974-1975. This should enable the group to come fairly close to a full recovery in 1975-76 and therefore give some support to the shares which at 64p are yielding 12.5 per cent.

Peak year forecast by Haggas

REPORTING higher profits before tax of £500,426, compared with £374,404, for the first quarter ended September 30, 1975, the directors of John Haggas forecast an increase for the current year over last year's record £2.14m.

Earnings, they say, should therefore exceed the 41.89p per 10p share in the 12 months to June 30, 1975, when dividends totalled 2.77p net.

A breakdown of sales, which advanced from £3.24m. to £3.66m., and pre-tax profit for the first three months shows: Spinning division £2.24m. (£1.99m.) and £0.33m. (£0.29m.), knitting £0.81m. (£0.62m.) and £100,424 (£31,168), fur fabric £0.61m. (£0.63m.) and £70,209 (£52,944).

Overall, the company tends to make "unsophisticated products which are good value for money, and, in times of poor trading, these products are usually most in demand." Furthermore, a number of competitors have gone into liquidation, and this again may have helped, they say.

"As we expect a good improvement in trading in the second half of 1976, the possibility of our being affected by poor trading conditions is rapidly diminishing. We, therefore, continue to be optimistic for the future of this company."

● comment

John Haggas is coasting through the textile recession and is now looking forward to an improvement in industry fortunes within 12 months. Over half the first quarter pre-tax profits increase of 34 per cent. is due to a recovery on the knitting side from a period dogged by breakdowns and late machine deliveries. However, underlying growth here and on the spinning side, where interest received has accounted for only about a quarter of the 13 per cent. profits increase, attests to the strength of demand for the group's basic product lines. Profits are expected to rise this year, and with the share price bouncing back by 20p last night to a high of 240p (three-fifths of which is represented by net cash), the historic p/e is 5.7 and the yield, covered 15 times, is 1.8 per cent.

HE NEW THROGMORTON TRUST LIMITED

INTERIM REVENUE STATEMENT

	Six months to 30.9.75	Six months to 30.9.74	Year ended 31.3.75
	£	£	£
ss Revenue ...	842,805	940,265	1,837,778
s: Administration and nterest charges ...	364,082	417,219	817,382
	478,723	523,046	1,020,396
s: Taxation ...	201,612	201,092	366,229
	277,111	321,954	654,167
appropriated Revenue rought forward ...	87,867	81,870	81,870
t Available for Distribution	£364,978	£403,824	£736,037
rnings per Share ...	0.708p	0.823p	1.672p
idends:			
Interim (Payable Oct.) .8% Net (1974—1.8% Net)	176,112	176,107	176,107
Interim (Payable April) — (1974—1.575% Net) ...	—	—	154,093
al (Payable July) — (1974—3.25% Net) ...	—	—	317,970
t of Dividends ...	£176,112	£176,107	£648,170
appropriated Revenue arried forward ...	£188,866	£227,717	£87,867

e Directors declared a 1st Interim dividend of 1.8% Net 974—1.8% Net) on 23rd July, 1975, which was paid to shareholders on 3rd October, 1975.

Marshall's Universal

DESPITE increasing wage costs and operating expenses, first-half pre-tax profit of Marshall's Universal increased from £804,000 to £890,000 and chairman Mr. R. L. Doughty expects the 1975 year-end result to be ahead of 1974's record £1.57m. in spite of current trading remaining "far from easy."

The interim dividend is raised from 3.0625p to 3.25p net and the directors intend to declare the maximum permitted total. They have also decided on a policy of regular share bonuses, with a one-for-ten scrip issue in December which will rank for the final dividend. Last year's dividend total was 6.1375p.

Following the successful rights issue in May, the directors intend to consider acquisitions.

	First half 1975 £000	First half 1974 £000	Year 1974 £000
Turnover ...	12,195	11,210	22,898
Profit ...	890	804	1,574
U.K. tax ...	147	185	172
Double tax relief ...	104	93	95
Overseas tax ...	385	256	721
Net profit ...	462	418	774
Minorities ...	110	55	168
Attributable ...	352	335	606

● comment

An 11 per cent. rise in East African profits plus a £60,000 exchange surplus enabled Mar-

Gallaher up in third quarter

IN THE third quarter ended September 30, 1975, profits, before tax, of Gallaher, the cigarette and tobacco group, improved from £8.3m. to £9.4m., lifting the total for the first nine months to £25.6m. compared with £24.6m.

After tax and minorities, and taking in a surplus of £4.3m. arising on the purchase for cancellation of loan stocks the net balance for the 9 months emerges at £16.6m. against £14.8m.

For the year 1974 the pre-tax profit was £33.5m. and the net attributable balance £17.7m.

Gallaher is a wholly-owned subsidiary of American Brands of the U.S.

Alva meeting convened

An extraordinary meeting has been convened for shareholders of Alva Investment Trust on November 10, to consider a resolution by holders of 11.5 per cent. of the capital to reconstruct Alva as a unit trust.

This is at the request of Standard Guarantee, which holds shares on behalf of clients in Alva.

Announcing the EGM in a letter to shareholders, the chairman of Alva says the proposal did not come from the directors, and they strongly recommend all shareholders to vote against the scheme.

Among their reasons was that if Alva were to be reconstructed as a unit trust and redemptions were to take place, a "very difficult position" might arise owing to its small size (around £1½m.) and the lack of marketability of some of its portfolio, which includes oil-related private companies. They also say that even if the resolution is carried it would have no binding effect under the Articles.

Mr. Peter Segal, a director of Standard Guarantee and the leader of the dissident shareholders, said all he wanted to see was the shareholders in Alva get the asset value of their holdings.

At [illegible]—up 3p—the share price of Alva is now on a comparatively modest discount to assets but the price has been affected by the talk of unitisation. Mr. Segal also claims that the true level of support for his proposals is nearer 30 per cent. than the 11.5 per cent. quoted in the chairman's letter.

Other major shareholders of Alva include the Ailsa Investment Trust (whose directors are the same as those of Alva) 43.9 per cent. and the Practical Investment Fund (a leading unit trust) 10 per cent. Mr. Segal has in the past made offers for Ailsa's holding in Alva.

Senior IBM director for NatWest Board

Mr. Edwin Nixon, managing director of IBM United Kingdom Holdings, IBM United Kingdom, and IBM United Kingdom Rentals, has been appointed a director of NATIONAL WESTMINSTER BANK. He is also chairman of IBM United Kingdom Laboratories and a director of IBM Information Services.

★

Mr. M. W. Drown has been appointed marketing director of LONDON BRICK COMPANY.

★

Mr. P. N. Darley, deputy chairman of Home Furnishing Division, and Mr. A. G. Hilton, chairman of Overseas Division, have been appointed directors of TOOTAL. Mr. I. G. Murison is appointed managing director of OSMAN TEXTILES. Mr. J. Culley succeeds him as managing director of STEIBEL OF NOTTINGHAM.

★

Mr. H. G. Gorell Barnes, a director of Morgan Grenfell and Co., has been appointed a director of SUEZ FINANCE COMPANY (LONDON).

★

Mr. G. Davies has been appointed deputy chairman and Mr. J. D. Eccles vice-chairman (non-executive) of GLYNWED, both appointments as from November 19.

★

Mr. J. A. F. Binny has been appointed non-executive chairman of THE ASSOCIATED PORTLAND CEMENT MANUFACTURERS in succession to Mr. Norman Mullins (who died recently) and Mr. J. D. Milne becomes group managing director. Mr. J. S. Duthie succeeds Mr. Milne as director of overseas investments.

★

Mr. Emile Coulon has been appointed to the Board of FIRST CHICAGO LIMITED. He has been a vice-president with the company for three years.

★

Mr. David H. S. Howard has been appointed a non-executive director of SPENCER GEARS (HOLDINGS). He is a partner of Charles Stanley and Co., stockbrokers.

★

Mr. B. W. Tawse has retired from the chairmanship of REED AND MALLIK, civil engineering contractors, of Salisbury, and the Board has appointed Mr. J. M. Kretschmer, the deputy chairman, to succeed him. Mr. J. K. Kerr has been appointed assistant managing director.

★

Mr. John H. Guinness has been appointed chairman of the McNEILL GROUP.

★

Mr. W. A. (Sandy) Mackenzie will resign as managing director of INTERNATIONAL MOLASSES (INTERMOL) as from November 1 next. He will remain available in a consultative capacity.

★

Mr. Ernest Cole and Mr. Richard Norman have been appointed directors of NORTHERN BANK FINANCE CORPORATION. Mr. Cole, a director and Mr. Norman an assistant director of Samuel Montagu and Co., will join Mr. Kieran Condell as the executive directors of Northern Bank Finance Corporation.

★

Mr. Sydney Royle has been appointed a member of the ENGLISH TOURIST BOARD for a period of two years. This completes the Board's membership.

★

Mr. David G. Britton has been appointed chief dealer of the FOREIGN EXCHANGE DEPARTMENT of NORDIC BANK.

★

Mr. D. Berchanpour has resigned as a director of EDINBURGH INDUSTRIAL HOLDINGS.

★

Mr. J. T. Mayne will retire as company secretary of CONSOLIDATED GOLD FIELDS AUSTRALIA on December 31 next. Mr. A. D. Hemingway, at present manager—legal services will succeed him.

★

Mr. Jack Shakespeare, who joined JOSEPH SHAKESPEARE AND CO. in 1950 and became managing director in 1971, has been appointed chairman. Mr. Joseph Shakespeare having resigned, although retaining his directorship of the holding company.

★

Mr. B. R. Pepperall and Mr. D. McGregor have been appointed directors of MARSHALL'S UNIVERSAL.

★

Mr. Peter H. Wyke Smith, group executive — engineering, of NATIONAL BUS COMPANY, has been appointed director of technical services with effect from November 1 next. He succeeds Mr. George McKay.

★

Mr. Minoru Inouye, formerly resident director for Europe of the BANK OF TOKYO, has been appointed a managing director of the bank while remaining manager of the London office.

★

Mr. Andrew M. Russell, treasurer and general manager of the Bank of Scotland, has been elected chairman of the COMMITTEE OF SCOTTISH CLEARING BANKERS in succession to Mr. Alexander R. Macmillan, chief general manager of the Clydesdale Bank, who has held the office since October, 1973.

★

Mr. L. J. Weaver has been appointed to the Board of the P-E CONSULTING GROUP with responsibility for its manufacturing, training and industrial relations practice.

★

Mr. D. H. Butters has been appointed a director of GREEN'S ECONOMISER GROUP and retains the position of secretary.

★

Mr. O. J. R. White, who has retired as chairman of BRANDHURST COMPANY (a member of the Amalgamated Metal Corporation Group) has been succeeded by Mr. G. T. Blackham, managing director of Gardner Steel (also in the AMC Group).

★

Mr. Alan Green, a director of Spirella Group, has joined the Board of MODELUXE LINEN SERVICES, the linen hire subsidiary of Vantona now merged with Spirella Group.

★

Mr. Alan Dandy has been appointed marketing director of HEATING ELEMENTS, Leicester—part of the Lindustries Group. He had been working on special projects for Smiths Industries.

★

Sir Fred A. Warner has been appointed a director of THE MERCANTILE AND GENERAL REINSURANCE COMPANY.

★

Mr. Alan Hall, of Hall and Ryan, the London-based coopers, has been appointed chairman of INDEPENDENT WINE TRANSPORT SERVICES.

★

Mr. R. E. England has been appointed managing director of VICKERS OCEANICS in succession to Mr. G. G. Mott, who becomes general manager of the BARROW SHIPBUILDING WORKS of Vickers Limited Shipbuilding Group. Mr. Mott will remain on the Board of Vickers Oceanics as a non-executive director.

★

Mr. K. R. J. Trott has resigned as managing director of SHIELD OFFSHORE SERVICES and been appointed managing director of SALVESEN OFFSHORE DRILLING.

★

KIRKBY CENTRAL reports that Mr. Stuart C. Johnson has been promoted from joint managing director to managing director of the main Board of the company. In addition a Board of management subordinate to the main Board has been created. This group will consist of Mr. W. A. Hiscock (director and general manager, Car Division, Rotherham); Mr. C. M. Cowdery (sales director, Bus and Coach Division); Mr. R. E. Bowden (sales director, Car Division, Rotherham); Mr. S. L. Williams (director, Management Services). The other members of the Board of management will be Mr. H. Brady, Mr. S. C. Johnson, Mr. D. H. Matthews and Mr. M. A. Turner, all existing main Board directors.

BANK RETURN

—	Wednesday Oct. 22 1975	Inc. (+) or dec. (—) for week
BANKING DEPARTMENT		
LIABILITIES	£	£
Capital	14,553,000	—
Public Deposits	20,370,629	— 61,674
Special Deposits	977,400,000	—
Bankers	365,907,345	+ 121,126,671
Reserves & Other A/cs	369,145,291	— 12,800,950
	1,747,061,265	— 102,143,847
ASSETS		
Govt. Securities	1,387,651,635	+ 112,620,000
Advance & Other A/cs	251,372,520	— 2,113,959
Premises, Equip't & other Secs.	85,579,525	+ 15,571
Notes	22,510,394	— 13,582,761
Coin	247,165	— 14,222
	1,747,061,265	— 102,143,847
ISSUE DEPARTMENT		
LIABILITIES	£	£
Notes Issued	5,250,000,000	— 25,000,000
In Circulation	5,227,489,066	— 11,411,219
In Bank'g Dept.	22,510,934	— 13,582,781
ASSETS		
Govt. Debts	11,015,100	—
Other Govt. Secs.	5,231,788,456	— 29,355,509
Other Securities	607,196,444	+ 4,355,509
	5,250,000,000	— 25,000,000

LEADERS AND LAGGARDS

The following table shows the percentage changes* which have taken place since December 31, 1974, in the principal equity sections of the F.T.-Actuaries Share Indices. It also contains the F.T. Gold Mines index.

Insurance (Brokers)	+198.29
Contracting and Construction	+177.97
Oil	+175.17
Entertainment and Catering	+158.54
Toys and Games	+154.10
Electronics, Radio and TV	+153.25
Building Materials	+151.30
Merchant Banks, Issuing Houses	+145.72
Consumer Goods (Durable) Group	+143.84
Food Retailing	+135.53
Insurance (Life)	+134.30
Motors and Distributors	+133.53
Banks	+129.49
Food Manufacturing	+129.48
Household Goods	+128.60
Capital Goods Group	+126.05
Chemicals	+122.84
Newspapers and Publishing	+122.76
Insurance (Composite)	+122.34
500 Share Index	+121.64
Engineering (General)	+120.78
Engineering (Heavy)	+119.89
Textiles	+119.57
All-Share Index	+119.45
Financial Group	+115.90
Industrial Group	+113.33
Stores	+110.15
Investment Trusts	+110.23
Electricals	+108.75
Consumer Goods (Non-Durable) Group	+107.60
Hire Purchase	+103.37
Machine Tools	+ 97.51
Breweries	+ 91.40
Packaging and Paper	+ 90.17
Discount Houses	+ 75.55
Shipping	+ 71.54
Office Equipment	+ 70.37
Wines and Spirits	+ 67.25
Tobacco	+ 63.14
Property	+ 58.49
Teas	+ 45.22
Tins	+ 41.57
Rubbers	+ 38.88
Mining Finance	+ 25.24
Gold Mines F.T.	— 22.12
Coppers	— 26.25

* Percentage changes based on Tuesday, October 21, 1975 indices.

COMPANY NOTICES

M. T. D. (MANGULA) LIMITED
(Incorporated in Rhodesia)
A MEMBER OF THE MESSINA GROUP OF COMPANIES
DECLARATION OF DIVIDEND

NOTICE IS HEREBY GIVEN that Dividend No. 33 of 12 cents per unit of stock has been declared payable to stockholders registered in the books of the company at close of business on Friday, 7 November 1975.

The dividend is declared in the currency of Rhodesia and warrants in payment will be posted from Salisbury and London on or about 5 December 1975.

Rhodesian non-resident shareholders' tax at the rate of 15% will be deducted from dividends due to shareholders whose addresses in the share register are outside Rhodesia or who are otherwise known to be not ordinarily resident in Rhodesia.

Present regulations prevent payments to residents of the United Kingdom, the Channel Islands, the Isle of Man and Zambia. Unless the position changes before the payment date, the dividends due to such members will be paid to a blocked savings account in their names with a commercial bank in Rhodesia and will earn interest at ruling rates.

The transfer books and register of members will be closed from 8 to 14 November 1975 both days inclusive.

Summaries of the copper production and sales, profits attributable to the company and appropriations for the year ended 30th September 1975 are as follows:

COPPER PRODUCTION AND SALES	1975	1974
	(Tons)	(Tons)
Opening Stocks	6.918	6.621
Production	20.063	18.183
	26.981	24.804
Sales—priced during the year	18.384	17.886
Closing stocks	8.597	6.918
AUDITED PROFITS ATTRIBUTABLE TO THE COMPANY AND APPROPRIATIONS	1975 ($000's)	1974 ($000's)
Profit before taxation	5.540	16.003
Taxation	1.269	5.673
Profit after taxation available for appropriation	4.271	10.330
Dividend Nos. 32 and 33	3.800	8.000
Transfer to Reserves	471	2.330
	4.271	10.330
Net capital expenditure	789	196
Cents per share		
Earnings	21	52
Dividends	19	40

The Report and Accounts for the year ended 30 September 1975 will be posted to Members on or about 5 December 1975 and the Annual General Meeting will take place in Salisbury on 20 January 1976.

By Order of the Board
THE MESSINA (RHODESIA) DEVELOPMENT COMPANY LIMITED
Secretaries
Per: S. H. VERRALL

London
23 October 1975.

Transfer Offices:
First Floor, Trustee House, 55 Jameson Avenue, Salisbury
28 Harrison Street, Johannesburg 2001
6 Greencoat Place, London SW1P 1PL.

MICHELIN INTERNATIONAL DEVELOPPEMENT NV

Corporation under Dutch law with capital of FL 30,000,000
Registered Office: LA HAYE (Netherlands)

6% Bonds 1970-1985 $ 1 000

MICHELIN INTERNATIONAL DEVELOPPEMENT made use for the repayment of the $5,400,000 instalment due on 5th January 1976, of the right which they reserved at the time of issue, and cancelled 5,000 bonds converted into shares B COMPAGNIE GENERALE des ETABLISSEMENTS MICHELIN and 400 repurchased bonds.

There will be no drawing by lot for this first redemption.
Amount outstanding $43,600,000.

BANQUE NATIONALE DE PARIS
Fiscal Agent

JAMES BEATTIE LIMITED

NOTICE IS HEREBY GIVEN that the Transfer Books relating to the 6¼% First Mortgage Debenture Stock 1986-90 of the Company will be closed from 8th to 15th November, 1975, both dates inclusive.

By Order of the Board,
G. T. LOWNDES, Secretary.
71-78 Victoria Street,
Wolverhampton.

LONDON BRICK COMPANY

NOTICE IS HEREBY GIVEN that the transfer books and register of ordinary stock will be closed on 18th November.

By Order of the Board,
H. D. HOWE,
Secretary.

Registrars:—
The General Agency & Trust Limited,
Granby House,
95, Southwark Street,
London, SE1 0JA.

LEGAL NOTICES

No. 003424 of 1975

In the HIGH COURT OF JUSTICE *Chancery Division Companies Court.* In the Matter of NORTHUMBRIAN DEVELOPMENTS LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 17th day of October, 1975, presented to the said Court by HAWTIN & PARTNERS LIMITED whose registered office is at 16, Golden Square, London, W1R 3AG, Merchants Bankers, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 17th day of November, 1975, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

VICTOR MISHCON & CO.,
125, High Holborn,
London,
WC1V 6QP.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 14th day of November, 1975.

BOND DRAWINGS

CHILEAN EXTERNAL LONG TERM DEBT—LAW NO. 8962

CHILEAN 5% LOAN 1911 (2ND SERIES)

NOTICE IS HEREBY GIVEN that a Drawing of Bonds of the above loan took place on 10th October 1975, attended by Mr. Keith Francis Croft Baker, of the firm of John Venn & Sons, Notary Public, when the following bonds were drawn for redemption at par on 1st November 1975, from which date all interest thereon will cease:—

SIX BONDS OF £1,000 NOMINAL CAPITAL EACH—NUMBERS:

175	311	316	464	861
973				

FIVE BONDS OF £500 NOMINAL CAPITAL EACH—NUMBERS:

1377	1706	1844	2249	2903

133 BONDS OF £100 NOMINAL CAPITAL EACH—NUMBERS:

3536	3983	4518	4752	4812
4845	4988	5031	5205	5399
5478	5825	6146	6154	6155
6245	6301	6320	6418	6705
6957	7336	7357	7414	7496
7656	7763	7971	8067	8240
8251	8359	8363	8475	8597
8761	9160	9164	9293	9342
9498	9598	10049	10090	10133
10270	10354	10582	10759	10870
11042	11251	11420	11808	12035
12046	12047	12662	12935	13028
13154	13817	13904	14125	14127
14294	14367	14390	14811	14879
14882	15286	15348	15515	16029
16052	16586	16863	16903	17248
17428	17568	17748	17982	18107
18289	18292	18315	18457	18646
18780	18884	19199	19348	19449
19624	19866	20003	20099	20338
20526	20598	20719	20908	21181
21512	21556	21853	22008	22189
22195	22463	22743	22799	22852
23152	23329	23567	23613	23676
24002	24404	24610	24661	25016
25239	25353	25739	26176	26559
26586	26717	26836		

38 BONDS OF £20 NOMINAL CAPITAL EACH—NUMBERS:

27723	27902	28378	28587	28848
28965	29067	29197	29383	29488
29865	29926	30074	30238	30320
30393	30692	30826	30917	30918
30926	30988	31014	31027	31031
31032	31137	31190	31365	31419
31564	31878	31999	32248	32308
32321	32324	32471		

182 Bonds amounting to £22,560 nominal capital.

Witness: K. F. C. Baker, Notary Public.

Each of the above bonds when presented at the office of N. M. Rothschild & Sons Limited for redemption must bear the coupon dated 1st May 1976, and all subsequent coupons, otherwise the amount of the missing coupons will be deducted from the principal to be repaid.

The usual interval of four clear days will be required for examination.

New Court,
St. Swithin's Lane,
London EC4P 4DU.
23rd October, 1975

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INTERNATIONAL COMPANY NEWS + EURO MARKETS

Louis Luyt plans cash bid for SAAN

BY RICHARD ROLFE JOHANNESBURG, Oct. 23.

UIS LUYT, chairman of omf Fertiliser Investments, lay announced his intention make a cash bid for the entire n. issued shares in South ican Associated Newspapers AN). Luyt has stated that terms should be finalised hin the next 10 days and that offer is being made "in his sonal capacity." Prior to this ning's suspension of trading, shares were being quoted at c, so it is not unreasonable to ime that any successful cash will probably be in the ion of at least 300c.

onsidering SAAN's patchy formance record, with earn- topping 95c in 1970, dipping 4c and 68c in the following years, peaking at 133c in t and then declining to 127c in 1974, the investment merits are limited. Dividends have been somewhat less erratic, 35c in 1970-71, 38c in 1972, 54c in 1973 and 40c in 1974. However, the group's dramatic downturn in fortune during the interim to June 30 last, reflecting a net loss of R208,000 against a 1974 profit of R889,000, prompted the board to pass the interim payout.

To the extent that Luyt's other business interests are in completely different spheres, there is considerable speculation as to the motives behind the bid. Many believe that Luyt's traditionally close ties with the Government may be the key. The Government has, especially of late, suggested that newspapers "put their houses in order" or else other measures might be necessary. Luyt may well be the new broom. Newspapers within the SAAN group include the Rand Daily Mail, (which has been consistently critical of the Government) Sunday Times, Sunday Express and the Financial Mail.

In any event, the issue clearly hangs on the willingness of the two major shareholders to sell. Argus, controlling the other major English-language publications, holds 32 per cent. and the Abe Bailey Trust, through various nominee companies, is believed to control just over 30 per cent. On the strength of available information, the trust is a likely seller and, bearing in mind the Government's negative attitude to newspaper monopolies, Argus may also feel induced to clear out as well.

Swedish Match profits slump

BY JOHN WALKER STOCKHOLM, Oct. 23.

EDISH MATCH in their eight iths interim report states that group's sales fell by 3 per . to Kr.2.76bn. (£307m.) com- d with the same period in . If companies acquired after iary 1, 1974, are excluded, group's invoiced sales are n by 5 per cent. to Kr.2.63bn. pared with the same period year. Profits are sharply n.

c continuing economic :ness in Western Europe, low demand and a sharp iward price trend in several ions, has led to a decline of er cent. in the group's operat- profit for the first eight ihs of this year at Kr.76m., pared with Kr.244m. in the period last year. This result ily follows the forecast made er this year which said that company would have a "significantly lower result" during 1975 compared with 1974.

Prospects are now improving in product areas of significance to the group, the report says. The operating profit for the final four months period can be expected to be noticeably better than in the immediately preceding period.

A continuing improvement is expected to become gradually apparent during 1976 as the new, favourable upturn in the international economy and the effect of earlier rationalisation make their mark, the company says.

Norwegian banks merge

BY FAY GJESTER OSLO, Oct. 23.

TWO NORWEGIAN commercial banks—Bergens Privatbank and Bergens Kreditbank—are merging, effective next Monday, to form Bergen Bank. The new unit, with assets of nearly Kr.8bn., will be Norway's second largest commercial bank.

It is already involved in offshore petroleum financing, including financing of the Frigg, Heimdal and Statfjord fields in Norway's sector of the North Sea.

Together with two other Norwegian commercial banks, it is shortly to establish a subsidiary in Luxembourg—Bergen Bank International—in which it will hold 65 per cent.: of the Lux.Frs.250m. share capital. Its partners, Forretningsbanken and Bondernes Bank, will hold 25 per cent. and the 10 per cent. respectively.

Hard times for French lorry groups

BY RUPERT CORNWELL PARIS, Oct. 23.

.E THE French car market : last showing signs of ery, the country's lorry facturers are still in the if a recession that has seen stic registrations falls by t 40 per cent. in the first months of this year.

gravity of the situation strated by the results just nced by the two largest facturers, Renault's long- ng subsidiary SAVIEM, Berliet which came under aegis of the State-owned any in the re-organisation e industry late last year.

liet this week reported a n the first half of Frs.51m., st a profit of Frs.9.8m. in ame period of 1974. The is arrived at after depre- n of Frs.38m. (Frs.33m.) s despite an increase in ver to Frs.1.8bn. (£200m.) Frs.1.5bn.

VIEM seems in a scarcely er position in that its first igures show a profit before ciation of only Frs.7m. As ult chairman M. Pierre us has already made clear, heavy vehicle companies certain to record substantial net losses in 1975, and he successfully argued for a Frs.150m. loan from the Government in September, to enable them to maintain their important investment programmes.

If the lorry sector is still in severe trouble, it does seem that the long wait of the car companies is drawing to a close. Statistics issued to-day by the Car Manufacturers Federation show that new registrations last month rose by 5.6 per cent. from September 1974, even though they are 4 per cent. down on September 1973.

Total sales in the first nine months just topped the 1m. mark, at 1,035,957 units, down some 10 per cent. from the same period last year. Exports however have remained very steady, at 1.29m. units this year so far, compared with 1.297m. a year ago, and 1.304m. in 1973.

PUK sales decline

BY RUPERT CORNWELL PARIS, Oct. 23.

PECHINEY-UGINE-Kuhlmann, holding company of the French metals and chemicals group today announced a slight drop in first half profit to Frs.141m. from Frs.151m. in the same period of 1974.

The decline however mainly reflects the flow of dividend payments by subsidiaries, relating to last year's performance, and throws little light on the severe downturn that PUK is experiencing this year.

For the first six months the group reported a drop of 17 per cent. in consolidated sales to Frs.9.5bn. (£1bn.) from Frs.11.5bn. Given the intervening rise in prices, the fall in volume terms was almost certainly more severe. Turnover of the copper division almost halved to Frs.1.5bn., while the key aluminium sector also suffered, with sales down to Frs.3.1bn. from Frs.3.68bn.

L SAMUEL LING APPEAL

FRANKFURT, Oct. 23.

'SCHE Bundesbank will tely fight for the revision judgment passed by a furt District Civil Court ptember 11, which orders Central Bank to pay Hill el DM10m. plus interest in ction with the loss to Hill el on an uncompleted n exchange transaction the collapsed Herstatt AP-DJ.

Suez sees profit rise

PARIS, Oct. 23.

CIE FINANCIERE de Suez said it expects 1975 net current profits to be 15 per cent. up on last year's levels, allowing the dividend to be maintained easily. But any decision over a possible increase must wait till the end of the year in the light of prospects for 1976, it said in a shareholders letter.

Last year the company had net current consolidated profit before security transactions of Frs.425.5m. (317.7m.) and paid a total dividend of Frs.22.50 (21).

The company recalled that first half revenues before depreciation and other charges rose to Frs.96.2m. (55.3m.) but added this was partly due to a Frs.31m. dividend from Banque de l'Indochine incorporated for the first time. Reuter

Montedison loss may be L200bn.

ANTHONY ROBINSON ROME, Oct. 23.

ATING LOSSES of the dison group as a whole are to amount to L200bn. in after allowing for the full ciation allowed by Italian ny tax laws, Montedison ent Sig. Eugenio Cefis, oday. This compares with perating profit of about n. in 1974. Operating profit s in this sense refers to y industrial operations and iot take into account finan- or other non-industrial ions included in the l consolidated balance

year's L100bn. operating for example, compared in overall group profit of n. after depreciation of n.

Cefis said there were timid of an upturn in some s in this last quarter of ar, but this would not be h to compensate for the lt operating conditions of rst half when plant was ng at 50 per cent. capacity red with 92 per cent. in He estimated that Montedison, with its legacy of largely obsolescent plant, needed to operate at around 70 per cent. to break even.

One of the principal weaknesses of the group was the fact that 92 per cent. of production took place in over 200 plants scattered around Italy and only 8 per cent. abroad. This ratio helped to explain why Montedison was seeking to internationalise its activities, he added. As an example, he pointed to the medium-term Eurodollar loan now being arranged by Citibank Corporation to finance the group's overseas activities.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Amax 8½pc 1986	97	98
Ashland 8pc 1987	89½	90½
Austraswiss 8pc 1987	87½	88½
BFCE 9pc 1989	97½	98½
Borregaard 8½pc 1989	91½	92½
Carrier 8pc 1987	88	89
Conoco 8pc 1986	94½	95½
Consol. Foods 7½pc 1991	84	85
Cutler Hammer 8pc 1987	90	91
EIB 9½pc 1985	100½	101½
Esso 8pc 1986 Nov.	96½	97½
General Cable 8½pc 1987	82½	83½
General Motors 8⅞pc 1986	100½	101½
GTE 8½pc 1986	86	87
ICI 7½pc 1992	79½	81½
Nat. Grindlays 7½pc 1987	73	76
Pacific Light 8pc 1988	89	90
Prov. of Quebec 7pc 1988	84½	85½
Quebec Hydro 8½pc 1993	96	97
Queensland 8½pc 1987	85	86
Scanraff 8½pc 1988	93½	94½
Shell 8pc 1986	94½	95½
Stand. Oil (Ind.) 8½pc 1988	97½	98½
Tenneco 7½pc 1987	86½	87½
Transocean 8pc 1986	94	95
TRW 8½pc 1986	97	98
Utah 8pc 1987	88	89
Volvo 8½pc 1985	98	99
Notes		
Air France 9½pc 1982	100½	101½
Aust. Ind. Dev. 10½pc 1981	101	102
Barclays 7½pc 1978	96	98
Cie Natl. du Rhone 10pc '82	102	103
Du Pont 7½pc 1978	101	102
Esso 7pc 1978	100½	101½
General Motors 8½pc 1978	100½	101½
Marubeni 9½pc 1982	99	100
Nippon Fudosan 10½pc 1981	102	103
Skand. Enskilda 10½pc 1981	102½	103½
Tenneco 7½pc 1979	98	99
Tokyo Curacao 10½pc 1981	101	103
BFCE 9pc 1989	97½	98½
Queensland 8½pc 1987	85	86
Tokyo Curacao 10½pc 1981	101	102

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4½pc '87	80	2
Ashland 5pc 1988	72½	4½
Beatrice Foods 4½pc 1992	88	90
Beatrice Foods 4½pc 1992	99	101
Borden 5pc 1992	88	90
Broadway Hale 4½pc 1987	71	3
Canon Camera 7pc 1989	86	8
Carnation 4pc 1987	87	9
Chevron 5pc 1988	101	3
Dart 4½pc 1987	78	80
Eastman Kodak 4½pc 1988	114½	16½
Economic Labs 4½pc 1987	74½	6½
Eldal 7½pc 1989	77	80
Fed. Dept. Stores 4½pc 1985	131	3
Firestone 5pc 1988	88	90
Ford 6pc 1986	86½	8½
Ford 5pc 1988	75½	7½
General Electric 4½pc 1987	85	7
Gillette 4½pc 1987	78	3
Gould 5pc 1987	83½	7½
Gulf and Western 5pc 1988	86	88
Harris 5pc 1992	64	6
Honeywell 6pc 1986	76	8
ITT 4½pc 1987	69	71
Komatsu 7½pc 1990	105	7
J. McDermott 4½pc '87	125	7
Mitsui 7½pc 1990	100½	3½
J. P. Morgan 4½pc 1987	102	4
Nabisco 5½pc 1988	91	3
Owens Illinois 4½pc 1987	87	9
J. C. Penney 4½pc 1987	79½	81½
Pioneer 6½pc 1989	145	50
Rank 4½pc 1993	41	3
Revlon 4½pc 1987	101	3
Sperry Rand 4½pc 1987	84½	6½
Squibb 4½pc 1987	81	3
Texaco 4½pc 1988	78½	8½
Toshiba 6½pc 1990	100½	2½
Union Carbide 4½pc 1982	104	6
Warner Lambert 4½pc 1987	90	2
Warner Lambert 4½pc 1988	77	9
Xerox 5pc 1988	73½	5½

Source: Kidder, Peabody Securities.

Pan-Am profit record

BY JAY PALMER

NEW YORK, Oct. 23.

PAN-AMERICAN World Airways has produced fresh evidence that its financial troubles may be nearing an end. At the same time, however, Eastern Airlines has unveiled an earnings report which could hardly be gloomier.

Pan-Am reported its third-quarter 1975 profit to be a record of $42.1m., compared with a loss in the same period of last year of $500,000. While Pan-Am's traditionally weak winter season seems likely to leave it in the red for the full year, the three-month surge did cut its nine-month deficit to $12.9m., against a $33.3m. loss over the same period of 1974.

Eastern, however, reported that its third-quarter saw a $29m. turnaround to a $21.4m. loss. Confirming that its September deficit of $18m. was a record monthly loss, the domestic airline acknowledged that its total 1975 deficit could possibly exceed the record annual loss of $51m. posted in 1973.

The ironies of these two very different stories are all too obvious. Only 18 months ago it was the two leading international airlines (Pan-Am and TWA) which were continually on the brink of financial disaster. The strength of the domestic carriers (stemming from the way in which domestic fuel prices lagged behind the sharp rise in international aviation fuel) was reflected in the fact that Eastern was holding talks with Pan Am about a possible takeover.

In its earnings statement Pan-Am specifically attributes its earnings gains to much higher than expected passenger traffic.

Eastern is clearly suffering from the way in which domestic passenger traffic gains have been virtually non-existent against sharply rising costs and the industry's vicious fare war. But while there seems little chance of Eastern producing any significant earnings improvement before the middle of next year, its real problems centre not on its operating performances but on its debt load.

With current liabilities (mostly with the major U.S. commercial banks) of over $300m., plus its current aircraft lease financings of at least $700m., Eastern's continued financial viability depends entirely on its ability to persuade creditors to accept interest and capital repayment deferrals.

Exxon net earnings down 31%

By Guy de Jonquieres

NEW YORK, Oct. 23.

EXXON reported to-day that its estimated net earnings fell 31 per cent. during the third quarter to $550m., or $2.46 per share, from $800m. ($3.58 per share) a year previously.

These poorer results, which Exxon blamed on both its petroleum and chemical operations, confirm the general downtrend in third-quarter profits reported by other major U.S. oil companies so far. During the nine months, Exxon's estimated earnings fell to $1.7bn. or $7.49 per share from $2.3bn., $10.19 per share.

Mobil has reported that its third quarter net fell 34 per cent. to $231.1m. or $2.27 per share from $277.8m. or $2.72 per share. Nine-month earnings fell to $613m. or $6.02 per share from $903.8m. or $8.87 per share.

Occidental Petroleum said that its third quarter net fell to $39.4m., or 40 cents per share from $73.6m., or $1.25 per share. For the nine months, earnings were $146.9m., or $2.33 per share, down from $212.6m., or $3.59 per share.

Shell Oil said the decline in its third-quarter earnings from the comparable 1974 period was due to the loss of the oil depletion allowance and lower oil and chemical product earnings.

Loss of the depletion allowance reduced third-quarter earnings by $34.5m. and nine-month income by $97.1m.

Imetal bid 'no violation of trust laws'

By Jay Palmer

NEW YORK, Oct. 23

COPPERWELD has lost the first round of its battle to block the recent tender offer by Societe Imetal, the Paris-based holding company controlled by the Rothschild family. Federal judge John Miller this morning officially rejected Court arguments that the bid violated the U.S. securities and anti-trust laws and refused to grant an injunction against the offer.

While the U.S. company's first round of defence has now been breeched, its efforts to avoid being taken over are likely to continue and could still succeed. Even ahead of any Copperweld appeals to the Circuit Courts and even the Supreme Court, the Pittsburgh judge's ruling does not remove all of Imetal's immediate legal obstacles. Court hearings are still continuing in Ohio over whether or not the Imetal offer breaks that State's local laws.

Although Imetal is still not allowed to communicate with Copperweld shareholders in Ohio, the Pittsburgh decision does finally allow it to try to persuade shareholders and company employees in other States to back the take-over.

Sydney Stock Exchange accuses Gollin of 'serious breach'

BY JAMES FOURTH SYDNEY, Oct. 23.

THE DISPUTE between the Sydney Stock Exchange and Gollin Holdings has flared again with the Exchange accusing the company of a "serious breach" of its listing requirements. The Exchange made it clear it believed Gollin directors' actions had helped create a false market in the company's shares.

On September 29 the Sydney Exchange asked Gollin if it knew of any reason why the share price had fallen from 70 cents on August 19 to 47 cents and whether any important announcement was pending. The next day directors replied they knew of no reason and the only matter of importance pending was the annual results. Seventeen days later the company announced it expected to incur trading and extraordinary losses of up to $A18m. in the year to August 31, of which $A10m. came from trading in steel.

The exchange sent Gollin a letter stating that it viewed the events with considerable concern and demanding an explanation of the reply to the September query. The exchange also said it had considered suspending trading in Gollin, but thought it desirable to maintain a market.

Gollin directors replied that they knew some losses had been incurred but felt it would be irresponsible to speculate on the overall loss situation. They also said they had no reason to suspect any member of the public had any information on the loss and still believed no accurate information could have been known.

In a further letter the exchange now says that the fact that directors admitted they knew there were some losses, coupled with the significant decline in the share price, strongly suggested one of the most important and fundamental listing requirements had been breached.

The section referred to requires companies to notify the exchange immediately of any information concerning the company or any of its subsidiaries, necessary to avoid the establishment of a false market.

Referring to the claim that directors believed the loss was not known, the exchange said it disagreed that this fact alone justified the company's September 30 statement. Its statement said: "Where factors likely to affect the market exist the market itself is often the best indicator of whether they have come to the notice of investors. The existence of such factors, accompanied by a significant change in the market price of the relevant company's securities, must be strong evidence that some person or persons have acted in the market on the basis of relevant information, or at least strongly based indications of it."

"In this instance, the position is all the more serious because a significant number of investors acted on a market that was basically uninformed, particularly after your letter on September 30 had been received and made public," the exchange said.

More than 485,000 shares changed hands in Sydney alone between October 1 and October 17. The price rallied above 50 cents immediately after the company reply but slumped to 17 cents when the loss became public.

The exchange said that in the circumstances it expressed "surprise and regret" that directors did not consider the possibility of discussions with the exchange when it made its initial inquiry.

Sir Douglas Clague resigns from Hong Kong and Shanghai Bank

BY MARGARET REID

SIR DOUGLAS CLAGUE, a prominent personality in Hong Kong, is to resign as deputy chairman and a director of Hong Kong and Shanghai Banking Corporation. The Corporation recently took a substantial shareholding, against the subscription of new capital, in Hutchinson International to reinforce the cash resources of that group, which has reported considerable losses.

It was indicated when the HK and SBC backing was proposed that it had been a condition of it that Sir Douglas, while remaining non-executive chairman of Hutchison, would dissociate himself from that company's management.

The directors of HK and SBC said yesterday that Sir Douglas Clague had advised them that he considered it to be in the best interests of all concerned that he should now step down as a deputy chairman. He had further advised them of his intention to resign his seat on the Board immediately following the Bank's next ordinary yearly general meeting.

Bos Kalis fund raising

BY MICHAEL VAN OS AMSTERDAM, Oct. 23.

BOS KALIS Westminster, the Dutch-based international dredging and specialised construction group, has announced a relatively small rights issue as well as an issue at par of Fls.40m. 8.5 per cent. subordinated convertible bonds. The share issue, which should raise Fls.10m. or so, involves the issue of 144,945 shares at Fls.85 per registered share as well as exchangeable bearer depositary receipts.

The company said at a Press briefing here to-day that this method of fund raising had been decided on as the management considered a sound capital ratio essential. This would facilitate calls on the capital market at any time. This was important in view of the increasing size of the projects the company is and would be involved in.

In its prospectus, Bos Kalis said that, barring unforeseen circumstances, net profit would be about 10 per cent. up on the previous year, while the cash flow for the current year would show an even stronger growth trend. The company was confident that, in the near future, it would be able to declare at least the same dividend per share on the increased capital.

The company said that in the first half of this year, the increased turnover had resulted in a high occupancy of its fleet which was expressed in the cash flow increase. The first half net profit was Fls.13.3m. and the cash flow Fls.43.7m.

At the start of 1975, the order portfolio totalled about Fls.1.2bn. The value of contracts completed in the first half amounted to Fls.325m. and the forecast for the whole year is Fls.900m. Bos Kalis Westminster's present order portfolio exceeded over Fls.1.5bn.

At the Press briefing, the Board said that expansion investments would total Fls.40-50m. in 1975, and Fls.25-35m. in the following year (annually). The replacement investments would be to the tune of Fls.40-50m. annually, while the company was counting on spending around Fls.5m. on new participations.

Japanese computer groups link for VLSI

By Christopher Lorenz

THE REORGANISATION of the Japanese computer industry has taken a major step forward with the agreement of five manufacturers to set up an association to develop advanced electronic components.

Fujitsu, one of the five, was quoted yesterday by AP-Dow Jones as saying that the association would be set up by early next year in accordance with Government guidance, its task being to develop very large-scale integrated circuit (VLSI) technology.

VLSI will be a basic requirement of the next generation of Japanese computers, and with the Tokyo Government now putting as much emphasis on the development of its computer industry as it did in the past with the motor industry, the association's programme will be of great significance to competitors.

The Japanese Government plans to give the association a Y45bn. subsidy for VLSI development over the five years beginning April 1, 1976.

The establishment of the association forms the second stage of the industry's reorganisation. Up to now, the six major computer manufacturers have been organised in three groups: Nippon Electric (NEC) with Toshiba, Hitachi with Fujitsu, and Mitsubishi Electric with Oki Electric. It has already been agreed that there will in future be two groups, with Mitsubishi joining Hitachi-Fujitsu.

Integrated circuits are crucial to any computer manufacturer, since they provide the logic and now also the memory of computer systems. The development of minicomputers and microprocessors ("computers on a chip") makes circuit technology even more important, which is why the Japanese are putting so much emphasis on VLSI in their campaign to catch up with the American industry.

Banks take over Perak Sugar

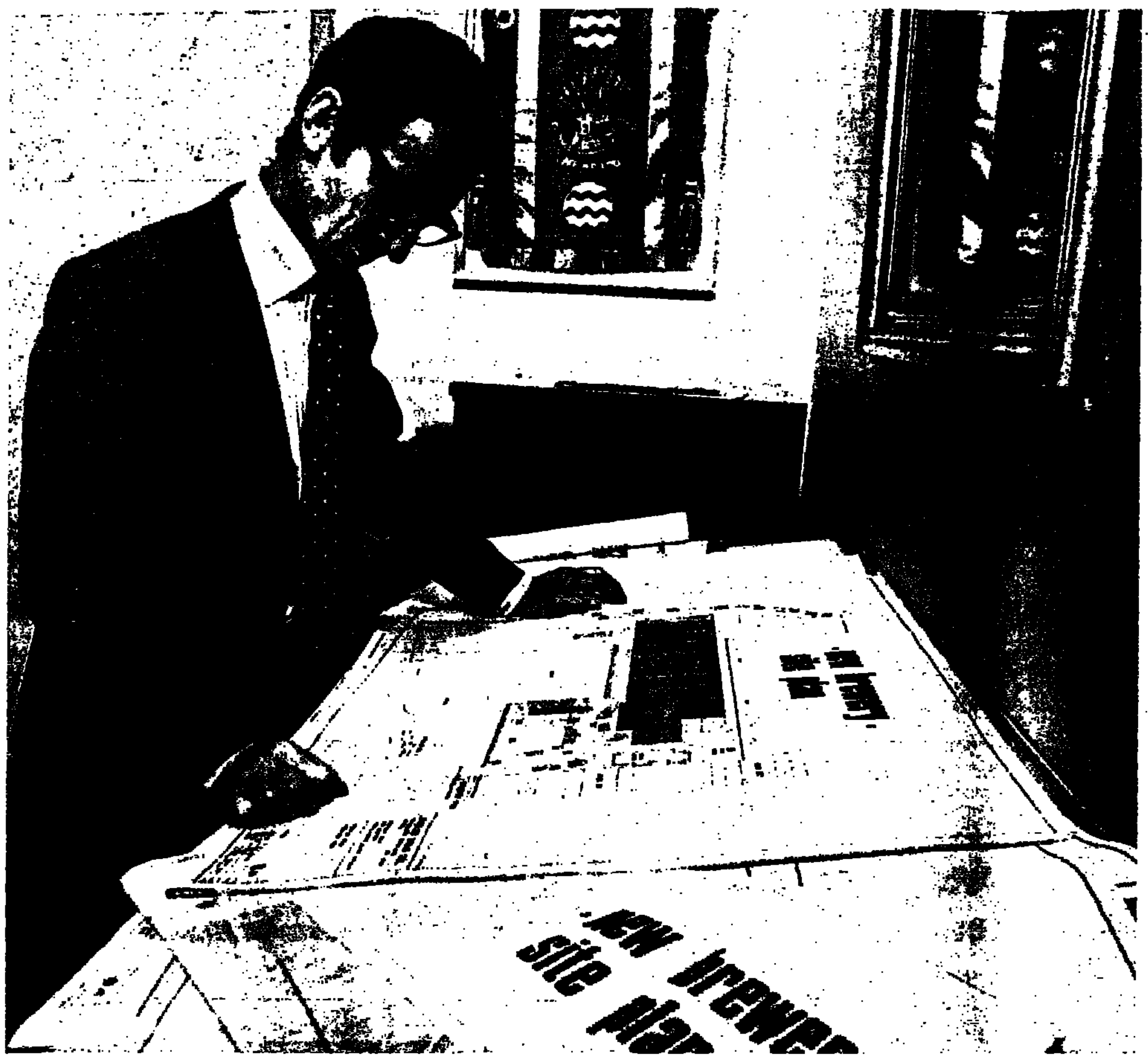
KUALA LUMPUR, Oct. 23.

PERAK SUGAR has gone into receivership. Its bankers, First National City Bank, of New York, and a local bank, are taking over its affairs.

In a letter to the Kuala Lumpur Stock Exchange the company said it had gone into receivership with accumulated losses of $US7.3m. and current liabilities of $6.36m. at the end of March, 1975.

The two banks have appointed Peat Marwick Mitchell and Co. as receivers and managers.
AP-DJ

"Midland Bank helps us expand and develop without losing our character as traditional family brewers"



-Oliver Wells, Joint Managing Director of Charles Wells Ltd, Brewers at Bedford.

Charles Wells, a merchant navy man, retired in 1876 and founded a brewing company. He bought a 'residence with garden and paddock' on the banks of the River Ouse, together with a malthouse, brewhouse, and thirty five public houses. He set about developing the business, and by the time he died in 1914, Charles Wells Ltd was a thriving concern.

He was succeeded by three of his sons in turn, then by a grandson, Major David Wells, who today is also joint managing director with another grandson – Wing Commander Oliver Wells.

Continuity and development

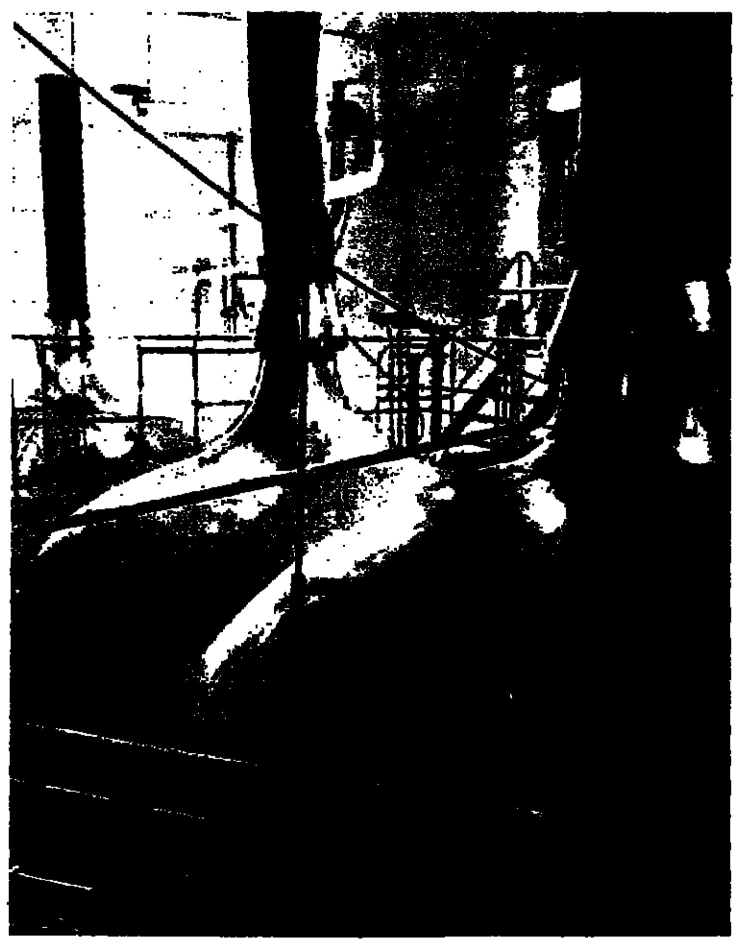
"We still brew beer the old way," says Oliver Wells. "We use only the best hops and selected yeasts. Water comes from our own well in north Bedford. And barley often comes from local farms.

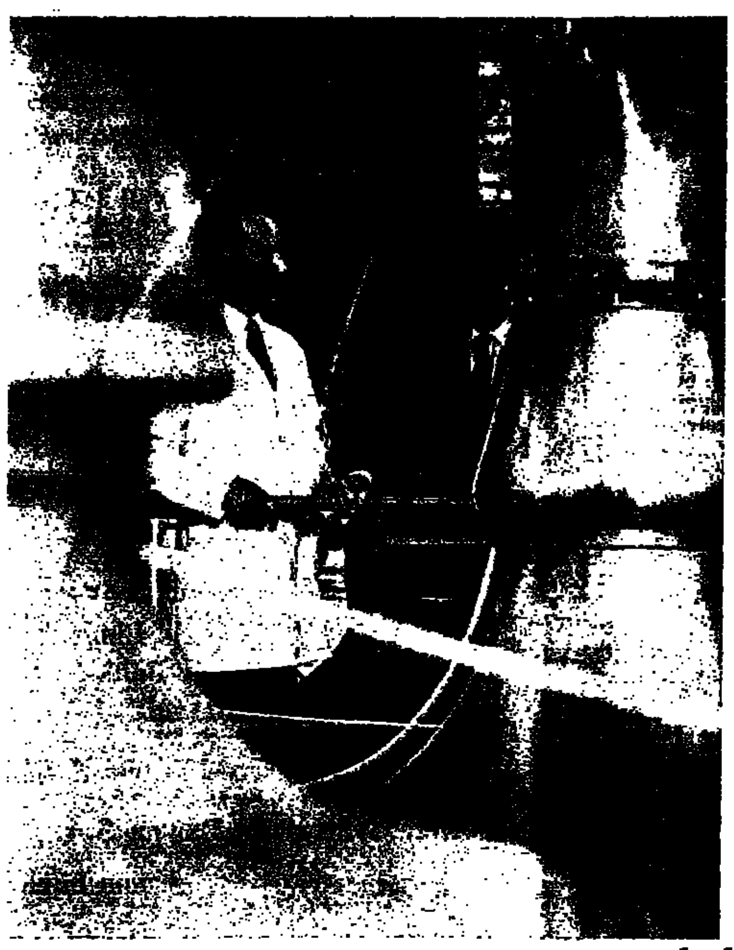
"Of course, there have been changes. But with the help of Midland Bank we have been able to expand and develop without losing our character as traditional family brewers."

Expansion and future plans

Charles Wells Ltd is a privately owned brewery. It has long banked with the Midland, and Midland help has enabled the Company to keep its facilities up-to-date to satisfy the thirsts and tastes of an expanding population.

Three breweries were bought in the thirties – at Bedford, St Neots, and Newport Pagnell. A fourth was added in 1963 with the purchase of the Abingdon Brewery at Northampton together with 21 more public houses.





Today, the Company owns 263 public houses, all within a radius of forty miles, of which about 35 are under direct management. In addition, it supplies a number of independent outlets such as hotels, restaurants and clubs.

In addition to improving existing public houses, the Company aims to build at least one entirely new public house each year, providing a wide range of amenities, bar games, and a high standard of comfort.

As a result of steady growth over the years, Charles Wells Ltd now brews around 55,000 barrels of beer a year, covering a range of four draught and eight bottled beers.

"At the moment," says Oliver Wells, "we are building a new brewery – with the Bank's help, of course.

"The brewery will be supplied with water from our own well and have an initial capacity of 75,000 barrels a year, with room for expansion. Beer bottling began there in May, and we expect the whole project to be complete by the end of the year."

Are you getting the kind of banking service that helps you to develop without changing the character of your business? Your local Midland branch can provide you with further details on the range of services available from Midland Bank Group.

Midland Bank Group

Principal trading companies: Midland Bank Limited; Clydesdale Bank Limited, Clydesdale Bank Finance Corporation Limited, Clydesdale Bank Insurance Services Limited, Scottish Computer Services Limited; Northern Bank Limited, Northern Bank Development Corporation Limited, Northern Bank Executor and Trustee Company Limited, Northern Bank Trustee Company Limited; Midland Bank Trust Company Limited; Midland Bank Finance Corporation Limited, Forward Trust Limited, Midland Montagu Leasing Limited, Griffin Factors Limited, Midland Bank Trust Corporation (Jersey) Limited, Midland Bank Trust Corporation (Guerns Limited; Midland Bank Insurance Services Limited; The Thomas Cook Group Limited, Thomas Cook Limited, Thomas Cook Overseas Limited, Thomas Cook Bankers Limited; Samuel Montagu & Co. Limited (Incorporating Drayton), Drayton Montagu Portfolio Management Limited, Northern Bank Finance Corporation Limited, Midland Montagu Industrial Finance Limited, Jersey International Bank of Commerce Limited; Bland Payne Holdings Limited, Bland Payne Limited, Bland Payne Reinsurance Brokers Limited, Bland Payne (UK) Limited, Southern Marine & Aviation Underwriters Inc., Bland Payne Australia Limited; Guyerzeller Zurmont Bank A

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NORTH SEA OIL REVIEW

BY ADRIAN HAMILTON

A question of refinement

W THAT U.K. North Sea oil t last being landed, one of most urgent, and least pub- debated. areas of Govern- t policy still to be clarified e question of how much of oil and associated hydro- ons should be refined in ountry and how far exports ld be allowed.

ittle sign

far there is little sign of Government's moving to- s any more defined policy, ly for the perfectly good n that it wishes to be as le as possible in an mely complex situation. the need for firmer guide- from the Department of gy is more than clear. ady the question of the nation of North Sea produc- has led to some acrimonious nges in the case of the ll Field. As companies other fields get down to dering their plans, the ncy is growing.

npanies with potential available, but without ng capacity of their own, nding it difficult to firm ng-term sales contract with buyers who are in part tant to commit themselves ut knowing how much om they will have in the sal of the oil and who are rt keen also, at a time of surpluses of oil, to gain aximum commercial bene- t of the seller's problems. more than one case, this rn is believed to have d financing problems for r companies seeking to les contracts as the basis oan financing from the . Equally, the major oil nies with refining capa- the U.K. are also having k forward and are becom- creasingly anxious to have firm basis on which to their worldwide supply/ g pattern.

olution is far from easy. he surface, it seems s, as well as politically ble, that companies should as much as practically le of North Sea crude the country to increase ded value as a raw al. to ensure maximum nent and jobs in the U.K., make certain that the s of the North Sea to the unity are seen as well as d.

dramatic faltering in nsumption rates both in and the U.K. have con- ly altered the market since the Government its announcement on re- s last December. Set t a background of a Bri- finery capacity of around tons a year at the latter the decade but an in- oil demand which may ach much more than per- 5m. tons by the end of ecade, the need for up- g of plant or additional to handle the North Sea es much less obvious. So too do the attractions of pro- ducing value-added products to sell in a market in Europe or elsewhere where similar consid- erations of refinery over- capacity, coupled with a poten- tial continuing surplus of oil, may not make sales prospects that good.

This in turn raises the whole question of what North Sea crude is suitable for. Contrary to public belief, fostered by some of the companies them- selves, North Sea Oil, although light, does not appear that unsuitable for the U.K. mix of demand.

If all U.K. refiners were forced to use North Sea crude as far as possible, there would still be a need to import heavier oils for certain specialised uses such as bitumen and lubricants. The relative high pore point of much of North Sea oil might also present difficulties for middle distillates used in cold climates. At the moment, too, the average North Sea crude might well produce a little more (perhaps 2 per cent.) pet- rol and naphtha than currently required in Britain and rather more middle distillate than the country's demand pattern re- quires. But the pattern is changing towads the lighter ends, and there seems little to justify the common belief that North Sea oil is basically un- suitable for the British market and, that on purely practical grounds, it could not be refined to a very high percentage in the U.K. without a great need for continuing imports of other types of crude.

Wasteful

Much more debatable is the question of the most effective and most economically attrac- tive way to us it. With North Sea oil's relatively high gravity and relatively low sulphur con- tent (mostly below 2 per cent.), its use to replace low-grade heavy fuel oil as used by the *Central Electricity Generating* Board and other bulk users is clearly wasteful. More import- ant, considering the facilities already installed in the U.K. to break down the heavier crude oils of the Middle East, to refine it here might also depreciate its added value as crude in other markets.

The argument is a difficult one and each company's views depend on its own European network and facilities. Much also depends on the estimates one takes for the value of low sulphur crude in the market over the future, and the rela- tive freight rates for crude and product tankers. In the last year, the sulphur "premium" in the market has not been large, nor has the question of freight rates been clear. But at a time of surplus oil and surplus refining capacity throughout the market, econo- *mic case for refining the crude* oil in Britain rather than exporting it directly as crude is not that strong. Given a rise in sulphur premiums and the likelihood of comparatively greater differences between rates for crude and product tankers, the *economics might* well favour exporting as crude —if this was politically feasible.

It is on this tricky ground of economics, calculated against an exceptionally uncertain future in the market, and politics, calculated against an equally tricky background of Scottish nationalism and Labour Party sensitivities, that the issue is now being considered. The major oil companies, with different figures suggesting that anything between 30 and 50 per cent. is the optimum amount of North Sea oil that should be refined here, argue strongly that the economic case both for the nation and for themselves is as free a disposal of North Sea crude as possible along with little additional refinery invest- ment in the country.

The Government, on the other hand, argues equally strongly that such a high pro- portion of exports and a con- tinued import of lighter pro- ducts is simply "not on" politic- ally. And officials tend to harden this with the belief that lighter products will become more valuable in the market, that additional invest- *ment will be needed over the* longer term to upgrade U.K. refineries.

Substantial

As the Government considers this, it is also having to face a separate but similar problem over the disposal of Natnral Gas Liquids (NGL) brought ashore in conjunction with oil or gas. Just how much NGL will be landed is still not clear, but there is a growing realisa- tion that the amounts could be substantial at some 4-5m. tons a year and that their disposal is still very much an open question.

Part of the problem is that some of the NGL will be landed on the Shetlands through the Brent and Ninian lines, and will have to be shipped from there in any case. Other supplies of NGL will be landed on the mainland of Scotland. through the Brent gas line to St. Fergus and possibly through a trunk- line system gathering together small gas and condensate finds in the North Sea (if this pro- *ject, now under study, becomes* operational). On the mainland, the ethane, at least, can prob- ably be absorbed in the 500,000 ton a year ethylene cracker now being considered by Shell/Esso, with some additional quanities going into the gas system. But this still leaves the problem of disposing of several million tons a year of propane and butane on the mainland and the dis- posal of the NGL from the Shet- lands.

Again, it could be shipped abroad, particularly to the U.S. — an economically attractive solution, although still saddled with some political obstacles across the Alantic. It could be used as a fuel, perhaps for *power generation, which means* it would be taken in the U.K. but would lose much of its true value. The NGL could also be used in the competitive gas market — although the pros pects here are not good, con sidering the potential surplus of distillates in the U.K. and the competition of Frigg gas Another alternative would be use it in building up a petro chemical industry — the most attractive solution for the nation, but one which is not easy to achieve in view of the poor export prospects at presen and the nervousness about tak ing on this task felt by petro chemical companies.

Consultation

So far, the Government has tackled these questions largely by consultation with the indus try, undertaking its own studies and meeting each individual case as it arises. Whether it can continue without firmer directives for much longer is doubtful. *If all the oil being* produced was in the hands of the major companies with refin- ing capacity of their own and if the U.K. chemical industry was prepared to take the NGL on its own, life would be sim- pler. But this is not the case Most of the partners in the Argyll Field are without refin- ing capacity, as are most of those in the Beryl and Mont- rose and Piper fields due to come into production over the next year, and they need firm guidance to enable them to make forward sales plans. This guidance is also wanted by BP which will reach that stage of an export decision within the same time scale.

Yet for the Government to step in with a rigid policy at this stage could be as disastrous as doing nothing in view of the market uncertainties, to say nothing of the problems it could encounter with the EEC if it directed the destination and re- finery location of oil. The last year has shown that the mar- ket does not necessarily favour any obvious demands for re- fining North Sea oil at home.

But the last year has equally shown that the political pres- sures against a completely free movement of North Sea oil and *other hydrocarbons are still as* strong as ever and that there must still be a case for arguing that a high proportion of the crude should be refined in the U.K.

Already the Department of Energy is moving towards en- couraging marriages of sellers and buyers of oil. It seems, too, to be moving towards some kind of decision on the NGLs. The next six months or so should prove decisive. Whether they will pass without an open con- flict betwen Government and industry remains to be seen.

University rector criticises Government

By David Fishlock, Science Editor

THE HEAD of one of Britain's biggest universities yesterday attacked the Government for its "total lack of any planning per- spective in its dealings with universities."

Its refusal to face up to their economic difficulties had brought the universities close to breaking point, said Sir Brian Flowers, rector of *Imperial College*, London.

Sir Brian, directing his attack at Lord Crowther-Hunt, Minister for Science and Education, accused him of "stomping the countryside, generous with his criticisms and unrealistic with his remedies" for the universi- ties' problems.

"It seems that he believes that important economies would result if the number of university places in each subject were geared to national requirements for trained manpower, and if there were some controlling mechanism in the schools to ensure that the university places so calculated were filled accord- ing to plan."

Inexact science

This was so—except that man- power planning was a "notori- ously inexact science" and that it was far more important to train people to exercise their intellectual powers to the full over their lifetime than that they should instantly slot into a pre- ordained vacancy at the age of 21.

Sir Brian, giving the college's Commemoration Day address in the Royal Albert Hall, said that the function of government in education was to persuade and not to direct, to lead and not to legislate.

British universities had in- creased their student population by 10,000 while holding 300 staff posts vacant, and cutting ex- penditure by 5 per cent. in real terms.

It was time *the government* looked for economies to other sectors of higher education "where the responsibility for research is minimal and the cost per student place is nevertheless higher."

Consumer information urged

By Elinor Goodman

A CALL for a Freedom of Information Act, along the lines *of the U.S. law, which would* oblige the Government to pub- lish any information it had on matters of consumer interest, was made yesterday by Miss Eirlys Roberts, deputy director of the Consumers' Association.

Miss Roberts said that the U.S. law had enabled the Consumers' Union to make public the result of tests which the U.S. Govern- ment had "painstakingly" under- taken before deciding what brand of goods to buy on its own behalf.

She told a conference of the Institution of Purchasing and Supply that she did not know what information the British Government collected before making purchasing decisions, but "if the Government buys as *ignorantly as the ordinary con-* sumer, then the British taxpayer should arise in tremendous wrath and level Whitehall into the ground."

On the other hand, if the Government did do its own research before buying products, then "it should share with all the taxpaying public the informa- tion it gets with our money."

● The National Consumer Coun- cil has written to Mr. Anthony Wedgwood Benn, Secretary for Energy, calling for a decision to help consumers cope with soar- ing gas and electricity prices.

The Council, which believes that many poorer consumers benefit from having slot meters rather than paying quarterly, wants the power industries to give priority to the development of self-cancelling tokens which can be used in meters instead of money.

Press mistake 'should have been corrected'

By Michael Thompson-Noel

A NEWSPAPER which pub- lished a photograph and caption inaccurately representing a woman as applauding the "Yes" result in the Common Market referendum when in fact she held a contrary view, should have published a correction, the Press Council says in an adjudi- cation published to-day.

Miss C. McKechnie, of Yoker Mill Road, Glasgow, complained that the Daily Mail failed to correct the caption to the photo- graph—the result of an honest mistake—published in its Northern edition. Miss McKech- nie is a member of the Scottish National Party.

A complaint that John Arlott had falsely stated in The Guardian that snow fell at Lords on June 2 this year and that the newspaper had refused to print a correction or a letter pointing out the absurdity of the report, was not upheld.

In a third case, Mr. Derek Myer of 4, Baskerville Road, Sonning Common, Reading, com- plained that the *Evening Post*, Reading, had published an in- accurate and misleading account of an incident outside a hall where two MPs were addressing a Common Market rally. The complaint was not upheld.

CONTINUED ON PAGE 17

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Index up 5 on interest rate hopes

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Oct. 23.

MODERATE GAINS were scored on Wall Street to-day, powered by a sharp pickup in car sales and the belief that interest rates were headed lower.

The Dow Jones Industrial Average rose 5.59 to 855.16 and the NYSE All Common Index gained 27 cents to $48.25, while rises led falls by 905-to-483. Trading volume expanded 1.84m. shares to 17.9m.

Analysts said that First National City's Bank's prime rate formula would allow a cut in its rate to 7¾ per cent. from 8 per cent. when the bank announces results of its weekly rate review as the Stock Market opens Friday. Short-term interest rates have recently been declining on relaxation of Federal Reserve monetary policy.

U.S. car makers reported mid-October sales rose 37 per cent. from the same period a year ago. General Motors put on $1 to $56¼, Ford $¾ to $41¼ and Chrysler $¾ to $10⅞.

Trans World Airlines gained $¼ to $6⅜, while Pan American tacked on $¼ at $4¼ on third quarter net of $500,000 and the ending of merger discussions with American Airlines, up $¼ to $7½. National Airlines were up $¼ to $11½—attendants reached a tentative Contract Agreement after a 53-day strike.

Digital Equipment spurted $5⅞ to $134¾ on sharply higher earnings.

Shell Oil picked up $1¼ to $54¼, despite lower quarterly profits, while Libbey-Owens-Ford added $1⅞ at $19¼ on a raised quarterly dividend.

But Combustion Engineering fell $1¼ to $38⅝—it is considering a possible merger with Pollution Control-Walther.

Copperweld climbed $3 to $39¾—a U.S. District Court judge withdrew a Temporary Injunction granted Copperweld, which has been fighting a take-over attempt by Societe Imetal, a French firm. The ruling clears the way for Imetal's offer of $42.50 a share for each of Copperweld's 2.5m. Common.

Exxon rose $¾ to $92¾, despite lower earnings.

Storer Broadcasting fell $1¼ to $15⅞ on sharply lower third quarter net.

The American SE Market Value Index put on 0.07 to 83.59, with advances outnumbering declines by 307 to 279.

Canada mixed

Canadian Stock Markets were generally narrowly mixed in light trading yesterday.

The Industrial Share Index put on 0.81 to 169.68, Western Oils rose 0.41 to 189.56 and Banks firmed 0.85 to 252.04, but Golds gave way 5.18 to 285.28, Base Metals lost 0.83 to 70.75, Papers declined 1.35 to 99.83 and Utilities eased 0.15 to 120.19.

Imperial Oil "B" dropped $5¼ to $22⅞ on lower nine months earnings, but International Nickel of Canada rose $1¼ to $25¼ with nine months earnings lower but it declared a special dividend.

Ford Motor of Canada gave way $2¼ to $76.

Price dipped $1⅛ to $14⅞ on lower nine months earnings.

OTHER MARKETS

PARIS—French shares recovered from a hesitant start, following the lowering of the Call Money rate by ¼ per cent. to 6 per cent.

Banks, Foods, Engineerings, Electricals and Oils all improved to some degree. But Holdings and Stores lost ground.

The Foreign sector moved very little. Americans were steady, Germans easier, Dutch and Canadian issues steady to higher, while Belgians dropped back.

Gold Mines, however, did well.

BRUSSELS—Mostly lower in slow trading.

In Steels, Cockerill shed Frs.10 to 900. Union Miniere were off Frs.12 to 1,190 in reduced metals. Electricals and Utilities finished steady. In weak Chemicals, Solvay were down Frs.110 to 2,250. Cobepa were off Frs.28 to 1,026 in lower Holdings. Oils eased.

Among Internations, South African Gold Mines rose, Dutch sector firmed, while German and French stocks finished narrowly mixed. U.S. shares were irregular.

AMSTERDAM—Mixed trend.

Hoogovens shed 40 cents to Fls.49.1 on news it will extend short-time working.

Shippings and most Insurances were firmer.

The Fls.505m. State Loan traded 30 cents off its issue price of par—some Institutions reduced their allotment which was larger than expected.

Other State Loans were steady.

GERMANY—Mixed, some shares declined on selling pressure following the failure of the Central Bank Council of Deutsche Bundesbank to make the widely expected move to ease credit further.

Banks mostly declined. Electricals were higher, while Chemicals were mixed to lower.

Motors were steady. VW rose DM0.40 to 129.80. Machine Makers were predominantly lower, Steels and Metals mixed.

Interest concentrated on the Fixed Interest Securities. Deutsche Bundesbank's decision to revise its open market policy to a more flexible intervention system resulted in declines of up to 1.75 per cent. in Public Sector Bonds.

SWITZERLAND — Mixed following profit-taking.

Major Banks were generally very steady. Among irregular Financials, Interfood Bearer were up Frs.65 to 2,225, while Elektrowatt and Press-Finanz each lost some ground.

Insurances made minor gains, Chemicals were again actively traded while Metals and Engineerings were mostly firm.

State Bonds also firmed.

In a moderately active Foreign sector Dollar stocks were slightly irregular.

VIENNA—Generally steady.

OSLO—Banks and Industrials were firmer.

COPENHAGEN—Mixed in fair dealings.

MILAN—Mixed in average trading.

Bonds were narrowly mixed.

JOHANNESBURG — Narrowly mixed in light trading.

Elandsrand NPL were actively traded and quoted at R10.7.

Financial Minings were easier, Industrials were firmer. SAAN traded at R2.50, up 60 cents prior to the suspension following the report Louis Luyt will bid for the company.

HONG KONG—Slightly lower in moderate trading.

Jardine Matheson fell 40 cents to $HK23.90 ahead of its interim results, due shortly.

Hutchison shed 2 cents to 1.80 and Wheelock Marden a further 2½ cents to 3.45.

TOKYO—Slightly higher, after late profit-taking eroded most of early gains in active trading. Volume 340m. shares.

Constructions, Foods, Trading Houses and some Machinery and electrical shares met selling.

However, Shippings rallied on reports the Shipowners Association would take steps to cope with the current slump in the tanker market.

AUSTRALIA—Firmer in quiet trading, with profit-taking paring some of the earlier gains. Energy stocks again attracted most of the buying.

Utah were down 20 cents at $A9.50 but Pancontinental jumped 16 cents to a new peak of $A6.66.

MIM held unchanged at $A2.10, although it plans to enter the export coal market.

Poseidon shed 5 cents to $A1.75—its lowest level since January, 1970.

Gollin were again actively traded and off a cent at 22 cents, after sales at 26 cents.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus.	Util.	Trading volume 000's
Oct. 23	68.37	168.18	855.16	82.89	17,900
22	68.34	167.81	849.57	82.79	16,060
21	68.16	168.02	846.82	82.99	20,800
20	68.14	166.71	842.25	82.12	13,250
17	67.98	164.86	832.18	82.31	15,650
16	68.09	165.62	837.65	82.31	18,810
15	68.05	166.32	837.22	81.86	14,440
14	67.94	167.29	835.25	81.61	19,960
13	67.95	165.16	857.77	81.19	12,020
10	67.72	165.06	825.91	80.59	14,680
9	67.75	162.73	824.54	79.56	17,770
8	67.55	162.94	823.91	78.25	17,930
7	67.36	160.11	818.51	76.70	15,550
6	67.21	159.37	819.66	76.80	15,470
3	67.05	156.29	813.21	76.19	16,360
2	61.05	155.93	794.55	77.29	14,290
1	61.22	154.79	784.16	76.66	14,070
1975 High	68.92 (4/4)	174.12 (3/5)	881.81 (15/7)	87.07 (24/6)	—
Low	66.16 (3/1)	146.47 (2/1)	632.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	165.32 (20/4/65)	—
Low	—	13.23 (8/7/32)	41.22 (2/7/32)	10.58 (28/4/42)	—

* Excluding bonds

IND. DIVIDEND YIELD p.c.

Oct. 16	Oct. 10	Oct. 18 1974
4.60	4.65	5.80

N.Y. SE ALL COMMON INDEX

December 31, 1965 = 50

1975 High	1975 Low	Oct. 23	Oct. 22	Oct. 21	Oct. 20	Oct. 17
51.24 (15/7)	37.06 (2/1)	48.25	47.98	47.91	47.52	47.06

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,822	905	483	434

	Oct. 23	Oct. 22	Oct. 21	Oct. 20	Oct. 17
New Highs	83	76	75	25	10
" Lows	12	81	18	17	15

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

1975 High	1975 Low	Oct. 23	Oct. 22	Oct. 21	Oct. 20	Oct. 17
96.80 (15/7)	62.20 (2/1)	83.59	83.52	83.70	83.27	83.58
Volume 000's		1,580	1,430	1,750	1,420	1,410

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Oct. 23	102.29	91.24
" 22	101.67	90.71
" 21	101.49	90.56
" 20	100.65	89.92
" 17	99.56	88.86
" 16	100.14	89.37
" 15	100.00	89.33
" 14	100.09	89.28
" 13	100.35	89.46
1975 High	107.40 (15/7)	96.91 (15/7)
1975 Low	77.71 (8/1)	70.74 (8/1)

* 425 Industrials. † 425 Industrials, 50 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	Oct. 22 1975	Oct. 15 1975	Oct. 23 1974
Ind. Ord. yield pc	3.74	3.80	4.86
Ind. Ord. p/e ratio	11.97	11.78	8.19
Long-term Govt. Bds. per cent.	6.00	6.26	6.81

THURSDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Trans World Air	210,100	6⅜	+¼
Howard Johnson	180,600	15¼	−¾
Polaroid	172,300	37¼	−¼
Pan-Amer. Air	157,200	4¼	+¼
Amer. Tel. Tel.	143,200	50	+¼
Alcan Aluminium	141,200	19⅞	−⅛
General Motors	141,200	56¼	+1
Texas Utilities	131,300	21¼	−¼
Ryder Systems	123,700	7¼	+¾
CITI	114,900	29¾	−⅛

TORONTO

INDUSTRIAL INDEX

Oct. 23	Oct. 22	1975 High	1975 Low
169.66	168.87	196.50 (15/7)	159.41 (2/1)

MONTREAL

INDUSTRIAL INDEX

Oct. 23	Oct. 22	1975 High	1975 Low
174.03	173.64	205.61 (15/7)	159.95 (2/1)

COMBINED INDEX

Oct. 23	Oct. 22	1975 High	1975 Low
171.33	171.01	198.00 (12/7)	158.05 (2/1)

JOHANNESBURG

	Oct. 23	Oct. 22	1975 High	1975 Low
Industrials	202.8	202.2	236.9 (16/7)	183.2 (23/1)
Gold	247.8	245.3	379.1 (2/1)	200.3 (10/9)

(1958=100.) Source: Rand Daily Mail.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	Oct. 23	Oct. 16	Oct. 9
On Dividends	6.47	6.18	6.34
On Earnings	10.58	10.27	10.51

SYDNEY ALL ORD. INDEX

Oct. 23	Oct. 22	High 1975	Low 1975
409.38	405.76	422.40 (14/10)	259.38 (9/1)

TOKYO NEW SE INDEX

Base = 100 January 4, 1968.

Oct. 23	Oct. 22	High 1975	Low 1975
314.06	313.64	333.11 (2/7)	268.24 (10/1)

HONG KONG INDEX ⊕

Oct. 23	Oct. 22	High 1975	Low 1975
318.69	319.17	341.57 (4/6)	160.4 (9/1)

SINGAPORE INDEX §

Oct. 23	Oct. 22	High 1975	Low 1975
223.69	222.25	266.6 (11/6)	155.2 (8/1)

EUROPE

	Oct. 23	Prev-ious	1975 High	1975 Low
Belg'm (a)	93.27	93.09	111.51 (15/5)	89.01 (2/1)
Denm'k (b)	94.39	94.79	94.93 (20/10)	65.08 (15/1)
France (d)	66.8	66.6	74.3 (25/4)	51.70 (2/1)
Germ'y (e)	717.6	716.2	726.1 (15/4)	573.3 (2/1)
Holland (f)	88.4	88.2	101.2 (6/5)	85.2 (2/10)
Italy (g)	79.47	79.45	105.86 (21/2)	75.41 (17/10)
Spain (h)	92.32	92.16	110.96 (22/4)	91.25 (19/9)
Sweden (k)	405.50	404.23	406.50 (23/10)	310.56 (3/1)
Switz'rl'd (m)	263.3	258.1	286.1 (6/5)	206. (2/1)

Indices and base dates (all base values 100) — (a) Belgian S.E. 31/12/63 (b) Copenhagen S.E. 1/1/73 (d) Paris Bourse 1961 (e) Commerzbank December 1953 (f) Amsterdam Industrial 1970 (g) Milan 2/1/73 (h) Madrid S.E. 31/12/74 (k) Stockholm Industrial 1/1/58 (m) Swiss Bank Corp. 31/12/58 (n) Unavailable ⊕ Hang Seng Bank 31/7/64 § Straits Times 1966 (c) Closed * Adjusted.

Pound weaker

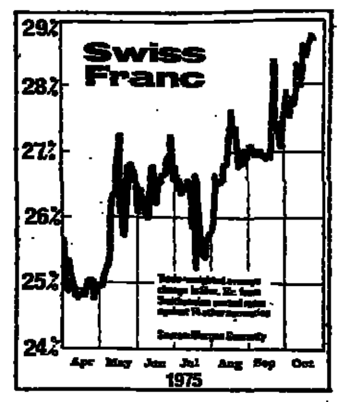
Sterling was weaker in the foreign exchange market yesterday, after the firmer trend on Wednesday had been continued in the earlier part of the day. The pound suffered from profit taking, after strong upward movements in early dealings had been prompted by the large differential between U.K. interest rates and those in the U.S. and most other industrialised countries. The pounds trade-weighted average depreciation since the Washington Currency Agreement, as calculated by the Bank of England, widened to 29.3 per cent., after standing at 29.0 per cent. at noon and 29.1 per cent. in early dealings. On Wednesday sterling's depreciation improved to 29.2 per cent., from 29.5 per cent. previously.

The pound began the day at $2.0750-2.0760 in terms of the U.S. unit and touched a high point of $2.0780-2.0790 during the morning. After lunch sterling declined sharply to close at $2.0665-2.0675, a loss of 80 points on the day.

The U.S. dollar showed little change on balance against most other major currencies, after gaining ground during the morning. Its trade-weighted depreciation, since the Washington Agreement, as calculated by Morgan Guaranty of New York, on noon rates, was 2.57 per cent., compared with 2.55 per cent. on Wednesday.

The cut of 1 per cent. in the Japanese bank rate had only a small effect on the yen, which closed at Y302, against the dollar, compared with Y301½ previously. The yen's depreciation, on the Morgan Guaranty basis, widened to 0.44 per cent., from 0.40 per cent.

Gold lost $¾ to $143½-144½. The krugerrand finished at $147¾-149¾ (£71½-£72½) in the domestic and international markets. The coin's premium over its gold content narrowed to 3.30 per cent., from 3.45 per cent.



GOLD MARKET

	Oct. 23 1975	Oct. 22 1975
Gold Bullion (a fine ounce) Close	$143½-144½	$144½-145¼
Opening	$145-146	$144½-145½
Morning fix'g	$145.00 (£69.832)	$145.25 (£70.325)
Afternoon fix'g	$144.15 (£69.477)	$144.50 (£69.672)
Gold Coins (domestically) Krugerrand	$147¾-149¾ (£71½-72½)	$148¾-150¾ (£71¾-72¾)
New sov'r'gns	$46½-48½ (£22½-23½)	$46¾-48¾ (£22½-23½)
Old sov'r'gns	$46½-48½ (£22½-23½)	$46¾-48¾ (£22½-23½)
Gold Coins (Int'n'n'aly) Krugerrand	$147¾-149¾ (£71½-72½)	$148¾-150¾ (£71¾-72¾)
New sov'r'gns	$43½-44½ (£21-21½)	$43¾-44¾ (£21-21½)
Old Sov'r'gns	$43½-44½ (£21-21½)	$43¾-44¾ (£21-21½)
$ 20 Eagles	$222-225	$223-226
$ 10 Eagles	$111-114	$115-118
$ 5 Eagles	$70-73	$74-77

FOREIGN EXCHANGES

Oct. 23 1975	Bank Rates %	Market Rates Day's Spread	Close
New York	6	2.0660-2.0790	2.0665-2.0675
Montreal	8¼	2.1150-2.1525	2.1150-2.1160
Amst'rdam	4½	5.43½-5.47½	5.43½-5.44½
Brussels	†6	79.65-80.30	79.65-79.85
Copenh'gen	7½	12.28½-12.37½	12.29½-12.30½
Frankfurt	5½	5.28½-5.32½	5.28½-5.29½
Lisbon	6½	54.50-55.20	54.60-54.90
Madrid	†7	121.60-122.80	121.80-122.00
Milan	6	1,393-1,403	1,393-1,394
Oslo	5	11.28-11.36	11.28-11.29
Paris	8	9.01½-9.07	9.01½-9.02½
Stockholm	6	9.00-9.08½	9.00½-9.01½
Tokyo	6½	6.20-6.30	6.23-6.25
Vienna	6	37.30-37.70	37.30-37.50
Zurich	5½	5.45½-5.48	5.43½-5.44½

† Basic discount. ‡ Rates given are for convertible francs: closing financial franc 82.15-82.45.

OTHER MARKETS

		¶Notes Rates	
Argentina	◆77.84-78.04	Argentina	170-200
Australia	1.6180-1.6645	Australia	36-38
Brazil	17.37-17.57	Belgium	81-83
Finland	7.91-7.96	Brazil	20-25
Greece	71.73-71.888	Canada	2.11½-15½
H'ngKong	10.40-10.455	Denmark	12.25-.45
Iran	141½-143½	France	8.90-9.10
Kuwait	0.598-0.605	Germany	5.20-5.35
Luxemb'g	79.60-79.80	Greece	68½-70½
Malaysia	5.2910-5.3150	Italy	1470-1520
N Zealand	1.9463-1.9626	Japan	610-640
SaudiArbia	7.26-7.36	Neth'rl'ds	5.35-5.55
Singapore	5.1100-5.1285	Norway	11.20-.40
S.Africa	1.7998-1.8176	Portugal	65-75
U.S.	—	Spain	124-127
Canada		Sw'tz'l'nd	5.35-5.55
C$1—		U.S.	2.07½-.09
U.S.cents	97.70-97.75	Yugosl'ia	38-40

¶ Based on rates quoted by specialist dealers. Other rates may be quoted elsewhere. ◆ Rate given is the commercial rate; financial rate 99.75-99.95. Special financial rate: 142.09-142.39. All rates nominal.

FORWARD RATES

—	One month	Three months
New York	1.05-0.95 c.pm	2.80-2.70 c.pm
Montreal	0.62-0.52 c. pm	1.82-1.72 c.pm
Amst'dam	3½-2½ c. pm	9¾-8¾ c.pm
Brussels	45-25 c. pm	125-105 c.pm
Cop'nhg'n	5¾-3¾ ore pm	16-14 ore pm
Frankfurt	4-3 pf. pm	10½-9½ pf pm
Lisbon	30 c. pm-40c.dis	45 c.pm-85 c.dis
Milan	3¼-1¼ lire pm	8¾-4¾ lire pm
Oslo	6¼-4¼ ore pm	16-14 ore pm
Paris	4½-2½ c. pm	11½-9½ c pm
Stockh'lm	3¾-1¾ ore pm	11-9 ore pm
Vienna	35-10 gro pm	70-40 gro pm
Zurich	5¼-4¼ c. pm	12¾-11¾ c.pm

Six-month forward U.S. dollar 4.82-4.77c pm and 12-month 8.30-8.40c pm.

SPECIAL DRAWING RIGHT RATES

One SDR is equal to	Oct. 22	Oct. 21
Sterling	0.573042	0.573850
U.S. dollar	1.18465	1.18064
Belgian franc	46.6663	45.8029
Deutsche mark	3.02500	3.03661
French franc	5.15915	5.17843
Italian lira	798.158	799.057
Japanese yen	356.698	357.144
Dutch guilder	3.11148	3.12752
Swedish krone	5.15500	5.15763

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

Oct. 23	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankf't.	—	2.559-560	58.55-65	6.61-62	5.285-295	97.24-34	97.05-05
N.York	39.04-06	—	22.89-92	2.5595-65	2.0650-0660	37.99-38.01	37.95-97
Paris	170.675-975	4.36-37	—	11.29-316	9.0525-0775	165.675-.07	165.50-90
Brussels	15.09-12	38.62-66	8.84-87	—	55.25-34	14.67-72	14.64-68
London	5.284-29¼	2.0665-75	9.01¼-02¼	79.65-85	—	5.43½-44½	5.43½-44½
Am'erdam	102.816-865	2.6267-92	60.275-325	6.8150-85	5.4615-65	—	99.795-845
Zurich	102.90-105	2.634-635	60.20-35	6.21-84	5.445-465	100.05-20	—

U.S. $ in Montreal. U.S. $=102.32-34 Canadian cents. Canadian $ in New York. $ C=97.61-65 U.S. cents. U.S. $ in Milan 674.20 Sterling in Milan 1401.00.

EURO-CURRENCY INTEREST RATES*

Oct. 23 1975	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
†Short term	11¼-11¾	6⅜-6⅞	7-8	5½-5¾	3¼-3½	⅜-½
7 days' notice	11½-12	6⅜-6⅞	7½-8½	5½-5¾	3¼-3½	½-⅝
Month	11½-11⅞	6-6½	8¼-8⅝	4⅞-5⅛	3½-3¾	1⅛-1⅜
Three months	11⅝-12	6⅜-6⅞	8½-8⅞	4⅝-4⅞	3⅞-4⅛	3-3⅛
Six months	12⅛-12½	7⅛-7⅝	9-9⅜	4¾-5	4⅜-4½	3⅝-3¾
One year	12⅛-12⅝	7¾-8¼	9⅜-9⅝	5⅜-5⅞	5⅜-5½	4⅛-4⅜

Euro-French deposit rates short-term 5½-6 per cent.; seven days' notice 5¾-6 per cent.; one month 6½-7 per cent.; three months 7-7½ per cent.; six months 7½-8 per cent., one year 8½-8¾ per cent.

Longer-term Eurodollar deposit: two years 8½-8¾ per cent.; three years 9-9½ per cent.; four years 9½-9¾ per cent.; five years 9½-9¾ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one month 5 15/16-6 1/16 per cent.; three months 6 7/16-6 9/16 per cent.; six months 7-7½ per cent.; one year 7½-7¾ per cent.

* Rates are nominal closing rates.

† Shorter-term rates are call for sterling, U.S. dollars and Canadian dollars, and two days' notice for guilders and Swiss francs.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—100¼% (99¾%)

NEW YORK

Stock	Oct. 23	Oct. 22
Addressograph	8¼	8⅛
Aetna Life & Cas.	22⅝	22
Corning Glass	41⅜	40⅞
CPC Int'nation'l.	43¼	42¾
Crane	47	46¼
Crocker Nat.C.P.	23⅛	23¾
Johns Manville	20⅝	20⅝
Johnson Johnson	89¼	87⅝
Johnson Control	12⅛	12
JoyManufactur'g	70¾	[illegible]
RCA	19	19
Reading	2⅛	1⅝
Republic Steel	29⅝	29⅝
Zenith Radio	22⅞	24
Chile 3% 1993	86	86
Peru 5% 1993	†95⅛	†95½

GERMANY ◆

Oct. 23	Price Dm.	+ or −	Div. %	Yld. %
A.E.G.	82	+0.5	—	—
Allianz Versich.	473	−1	17	1.8
B.M.W.	230		14	3.0
BASF	147.5	+0.3	17	6.2
Bayer	113.5	−0.5	17	7.1
Bayer Hypo	307		18	2.9
Bayer Vereinsbk	337.5		18	2.6
Commerzbank	199	−1	17	4.2
Conti. Gummi	82.5	+0.5	—	—
Daimler	324.5		15	2.3
Degussa	234		18	3.9
Demag	191	+4.5	—	—
Deutsche Bank	322	−1	20	3.1

MILAN

Oct. 23	Price Lire	+ or −	Div. Lire	Yld. %
Anialis Priv.	820	+50	—	—
ANIC	87.75	+0.75	00	8.7
Ausonia Ass.	4,000	+30	130	3.2
Bastogi	1,175	−23	70	5.9
Breda	2,098	+9	150	7.1
Burgo	11,050		200	1.8
Cantoni	7,476	−4	200	2.7
CIGA	1,210	+5	—	—

AUSTRALIA

Oct. 23	Aust. $	+ or −
Acrow Australia	†0.74	
Adelaide Brighton Cem. 50c	†1.05	
Allied Mang. Trdg. IndusSl	†1.60	−0.05
Ampol Exploration	†0.60	
Ampol Petroleum	†0.49	
Assoc. Minerals	†2.80	
Assoc. Pulp Paper $1	†0.83	
Aust. Con Industries	†1.45	

JOHANNESBURG

Oct. 23 MINES	Rand	+ or −
Anglo American Cpn.	4.37	−0.03
Charter Consd.	†3.07	−0.03
Consd. Gold	†3.35	−0.02
East Dries.	11.35	
Elsburg	2.63	
Harmony	6.70	−0.10
Kinross	5.45	[illegible]
Kloof	10.30	[illegible]
Pot. Plats.	1.95	[illegible]

BRUSSELS

PARIS

SWITZERLAND

AMSTERDAM

COPENHAGEN

VIENNA

CANADA

TOKYO

STOCKHOLM

OSLO

SPAIN

FINANCIAL TIMES SURVEY

Friday October 24 1975

هكذا من الأصل

ZAMBIA

Zambia has borne the brunt of the world community's economic war against the White supremacist regime of Rhodesia. The result has been to restrict her growth potential. There has been an over-reliance on copper and the true wealth in farming has been neglected.

Kaunda on the tightrope

By BRIDGET BLOOM, Africa Correspondent

OCTOBER 24 last year, as celebrated ten years of ıbian independence, President t Kuanda might have been given had he cherished the e that the country's enth anniversary, which s to-day, would have seen beginning of a happier iod for Zambia. Though very people knew it then, the s which led last December an agreement between Mr. Smith and Rhodesia's Afri- nationalists were already advanced. Since South ca's Prime Minister Mr. a Vorster was also closely lved, there seemed the best e in a decade of a rapid and eful settlement in desia.

umbia certainly needed a desian settlement. In the years since UDI, Zambia borne the brunt of the d's decision to impose sanc- s on Rhodesia. These econo- costs were not the major on for President Kuanda's ative. Zambia long ago made its preference for a nego- d settlement to the whole lem of Black-White con- ation in southern Africa: mplications of the coup in ugal meant that part of e Africa at least was now y to respond. But there l be no doubt that the Zam- economy had begun to r and that a settlement d help to solve not only ia's internal problems but of the wider southern an region as well.

r nine months, President da, backed by the Tan- n, Mozambiquan and Bots- leaders, has battled to get esia's nationalists to fulfil side of last December's -in, just as on his side, and for his own reasons, Mr. Vorster has tried hard to keep Mr. Smith in line. When, finally, the two men, together with their protégés, met on the Victoria Falls bridge at the end of August, success seemed momentarily within their grasp but rapidly proved illusory.

Of all the partners to the detente effort in southern Africa, Zambia stands to lose most by its failure—and failed it has, at least in relation to Rhodesia. Both Mr. Vorster and President Kaunda (to a considerably greater extent than the other African Presidents) have staked their prestige and even their reputation on the detente exercise. But while for Mr. Vorster just to meet and be seen talking amicably to President Kaunda, for years one of South Africa's staunchest critics, is an achievement in itself, for President Kaunda it must be results which ount.

And the results from more than a year's efforts are depressing indeed. Zambia's economy is more than ever in need of a settlement, thanks to continuing low copper prices and the appalling ill-luck of the closure last August of its main trading route through Angola (ironically due to the advent of Black rule in the Portuguese colony). Yet not only does settlement seem as far away as ever, but Zambia is also faced with the highly delicate task of deciding which faction of the now divided Rhodesian nationalists to support — both in its own interests and in the wider interests of Africa.

The split between Mr. Joshua Nkomo's faction of the African National Council and that led by Bishop Muzorewa and the Rev. Sithole finally occurred about six weeks ago, and so far the Zambian Government has been very careful to refrain from giving open support to one or the other. One of Zambia's two Government owned newspapers seems to support Mr. Nkomo; the other backs Bishop Muzorewa. Radio and television are officially neutral. For the time being, the Government can best be described as sitting on the fence

How long this can continue is ·n to question. Much will depend whether Mr. Kaunda is, as his opponents suggest, ready to "do a deal" with Mr. Smith. Were he, for example, able to show that Mr. Smith would accept African majority rule in two or three years time, and that in the interim there would be a transitional Government giving Africans a majority of one, it seems more than likely that such a solution would get Zambia's backing. But there are dangers for Zambia in such a course. Even if (as seems probable) President Kaunda's colleague Presidents were to support such an Nkomo solution, it must be doubtful whether the Muzorewa/Sithole faction would do so.

Those latter may or may not have a large personal following, but in advocating the "radical" solution of a stepped-up guerilla war, they are almost certainly reflecting the views of the increasingly large numbers of exiled Rhodesians in military camps in Zambia, Mozambique and Tanzania. The dilemma is whether President Kaunda in particular, but also the other Presidents, can avoid making a choice which could very well lead to civil war among Rhodesian Blacks—and involve consequences for Zambia and Rhodesia's other neighbours.

On the Rhodesian issue alone, there are some very tough months ahead for President Kaunda, particularly since the issue of detente inevitably has domestic repercussions. In the past, for example, President Kaunda has been criticised for his hard line towards the White south, especially on the economic cost of sanctions to Zambia. Now, he is criticised for failing to pull off a settlement which would have allowed sanctions to end. But there are also those who maintain that relations with Mr. Vorster, in particular, are altogether too close and who accuse the President of supping with the devil with much too short a spoon.

On this, as on other issues more specifically Zambian, President Kaunda has become used to walking a tightrope, and while there is no evidence that he is losing those skills now, there are inevitable tensions in such a balancing role. A month or so ago, for example, there was a spate of rumours in Lusaka which suggested dissidence within both the army and the police. Although it is obviously impossible to be sure, most observers discount the likelihood of incipient or actual disloyalty in either force. It was noteworthy that, in connection with another rumour, Mr Aaron Milner, a senior Minister and close colleague of President Kaunda, felt it necessary publicly to deny that he had at any stage been detained or had left Zambia with a hoard of smuggled currency.

It seems probable that such rumours originated with dissident elements—possibly on the Copper Belt and possibly allied to the now dissolved UPP—who have long been opposed to the creation of the one-party state. It is not necessarily cause and effect, but the party machine, as well as President Kaunda's recent measures or intended action to push forward the Zambian revolution, has come in for a good deal of private criticism, from both right and left.

The major area of criticism from the right is that the ever-increasing role of the State and party is stifling private initiative —President Kaunda's most recent declaration, in a major speech on June 30, abolishing freehold title to land (100 year leases have been substituted) has particularly come under fire. From the left, however, have come criticisms that despite declarations, exhortations or even laws, not nearly enough is being done to put the revolution of "Humanism" into practice. So far, this is fairly gentle criticism: when expressed, for example, in the Press, it questions the relevance of slashing prices of large imported cars and leaving tractor prices untouched, or of a State enterprise building a multi-storey multi-million pound car park when the masses, and even the elite, are being told they must do without cars.

In a sense, these are small points, though seen against what is becoming an increasingly depressed economy they carry considerable significance. The Rhodesia issue apart (although in many ways it is part of the same package) the state of the economy is by far Zambia's most pressing problem and will provide the country with its biggest test in the next year or two.

Other articles show the very serious effects on the balance of payments of the fall in the copper price and the renewed transport problems triggered by the closure of the Angolan route last August. Behind these immediate problems, however, lie the years in which the economy has been skewed, partly by over-dependence on copper, and partly by the cost of applying sanctions

On purely economic criteria, it was a mistake for Zambia to apply sanctions against Rhodesia. So, too, was the decision in 1973 to keep the Rhodesian border closed. If all things were equal (which they are not) at least some of Zambia's current difficulties could be overcome by not only taking advantage of the routes through Rhodesia to the sea, but also by Zambia buying Rhodesian and South African goods, now considerably cheaper following last month's devaluation by those two countries than those obtainable by Zambia elsewhere.

But even this course of action —which has certainly been discussed recently in Cabinet circles in Lusaka—would not solve the whole problem. The central dilemma of Zambia is that, because of copper, it has thought itself rich when it is not. Copper has cushioned the country against reality, which is only now making itself felt. One slice of that reality is that, partly because of copper and partly because of a sad neglect of agriculture, there is probably a bigger gap between urban and rural incomes in Zambia than anywhere else in independent Black Africa, and that, rather than diminishing with the years, the gap has widened. Another part of the reality is that income per head, over the country as a whole, has actually declined in the last five years. Independent Zambia has many achievements to its credit, from the abolition of the old discriminatory laws and habits (only just over ten years ago they were as bad as some of those to the south) to vastly increased educational opportunities for its citizens: it has withstood sanctions, though at a price: it has, understandably (and amicably) taken charge of its own economy. But now comes the real challenge. If copper, once and still king, can be dethroned at least to the point where it holds an equal place with farming, Zambia will have no need to fear the future. For what is needed now—and the current economic crisis may provide the impetus—is for Zambia to look again at its economic priorities and to find new and radical means of ordering and achieving them.

BASIC STATISTICS

Area	288,130 sq. m.
Population	4.75m.
GDP	K1.2bn.
TRADE (1974)	
Imports	K581m.
Exports	K905m.
Imports from U.K.	£63.6m.
Exports to U.K.	£75.3m.
Currency: Kwacha. £1=K1.33	

Economy needs a stronger base

ZAMBIA is a country which has had its fair share of economic problems since its independence 11 year ago, yet it is to-day facing its most serious economic crisis so far. The economy has always been inordinately dependent on copper, and when there is a fall in the copper price, which is beyond Zambia's control, the economy suffers. The present crisis has been triggered by 18 months of falling copper prices, compounded by acute transport difficulties, rising import prices as a result of world inflation, together with some misordering of domestic development priorities.

President Kaunda operates an ox-drawn plough at a rural reconstruction centre.

Two weeks ago, an International Monetary Fund Mission visited Zambia: just over two months ago, the Governor of the Bank of Zambia, Mr B. Kuwani, complained that information needed for a "valid analysis" of the economy was not always available. Full statistics are available neither from the IMF nor from the Bank of Zambia. In broad terms, however, Zambia may face a balance of payments deficit this year of some $150-$200m., a figure which could possibly be doubled in the course of next year unless unforeseen changes occur. Large-scale foreign borrowings are likely to be necessary—but not easily come by—in an effort to bridge the gap.

The problem starts, as almost everything does in the Zambian economy, with copper, which has never accounted for less than 90 per cent., and occasionally as high as 98 per cent. of export earnings. For the past three years, sales, mainly due to transport problems, have been less than production, but from exports of 666,000 tonnes in 1973 Zambia earned K739m., while total earnings on 682,000 tonnes last year amounted to K874m. The average price per tonne (cash wire bars) was K1,115 in 1973 and K1,327 in 1974.

Although in April, 1974 a record K1,953 was reached, prices have gradually declined since. The average for 1975 could well turn out at around K800 a tonne. This is bad enough, but sales this year are bound to be considerably lower than last. A 10 per cent. cut was imposed last November (and was later raised to 15 per cent.) as a result of a decision of the Council of Copper Exporting Countries, CIPEC to which Zambia belongs. But in August, following the closure of the Benguela railway which formerly transported nearly 50 per cent. of Zambia's copper exports, force majeure restrictions of 20 per cent. were introduced by both copper producing companies. In September the restrictions were raised to 30 per cent. for Roan Consolidated (RCM) and 40 per cent. for Nchanga (NCCM) Because of these factors, sales of copper this year will probably not exceed 600,000 tonnes, even though production is estimated at 674,000 tonnes. Assuming an average price of K800 a tonne, earnings will thus barely reach K500m.—a staggering drop of more than 40 per cent.

The low prices and declining sales affect both the profitability of the copper producing companies (break-even is estimated at between K780 and K830 a tonne and both companies have already had recourse to foreign borrowing this year) and the overall payments situation, in particular, Zambia's ability to finance its imports. Zambian imports have always been high, partly because the country, despite some import substitution success, ha not recovered from its colonial legacy of being the market for Rhodesian manufactures. Additionally, the mining industry itself depends heavily on imports, while Zambian agriculture has lagged badly in the past few years and food imports (nearly K50m. last year) have soared.

In the past five years, Zambia's import bill has risen from K340m. to over K500m. last year, but the picture is complicated because of the extremely long time lag between the ordering of goods and their arrival in Zambia—on average six months, but some goods can take up to a year to arrive (the lag, of course, also complicates calculations of the balance of payments since the very heavy freight payments are also delayed). In fact, last year's import bill was about K580m., partly due to the difficulties of the pipeline but also because of the gross over-issue of import licences last year (to the tune of K900m. according to Mr. Kuwani).

In an effort to contain this year's bill, the authorities called in all import licences in February and revalidated them. Imports in the range of K500-K520m. are now estimated for 1975 (excluding oil), but to this, calculating balance of payments effects, must be added freight charges, which will probably average 25-30 per cent. on top of f.o.b. prices. In crude calculation therefore, against likely foreign exchange earnings of under K500m. must be put import claims of some K670m.

Though the overissue of licences could certainly have been avoided, the very large rise in the cost of imports was not Zambia's fault. Fuel imports during 1974, for example, rose (and will now rise by an extra 10 per cent.) by K29m. to K46m., while according to the Bank Governor, "the unit value for all imports went up by a staggering 20 per cent. during the first six months of 1974" and for the whole year the rise could reach 30 per cent. The balance of payments deficit for the first five months of this year has been estimated at K75m., while Finance Minister Alex Chikwanda in an interview earlier this month estimated that, without the loss of Lobito and the consequent tying-up of foreign exchange in stranded or delayed imports and exports, the deficit for the year would have amounted to $150-200m. Whatever the precise figures turn out to be eventually, the deficit is likely to be the largest by far ever experienced by Zambia, and it finds no obvious and certainly no immediate cure. The situation is made worse by the drawing down of external reserves: last published figures were for August 31 at K40m. (or barely cover for one month's imports) against June (K50m.) and July (K65m.) The decline has occurred despite the injection of loans to the two copper companies from international consortia, some $160m of which possibly $100m. has been drawn. There is also an estimated backlog of commercial payments of K70m.

Fortunately for Zambia, the country's overall indebtedness is low, but there is clearly a need both for additional foreign borrowing to bridge the gap and for tougher domestic measures. Zambia can without too much difficulty have recourse to some $60m. from the IMF in standbys and oil facilities. Whether the Zambian Government (as distinct from the copper companies, whose most recent forays have not been too successful) will have recourse to international markets remains to be seen. One of the most interesting suggestions (on which there were very few details available at the time of going to press) is that of an arrangement with Zambia's major copper customers, in Britain and elsewhere, for loan finance, possibly in return for certain guarantees on copper supplies and prices.

Obviously the main hope in the medium-term must rest on a revival of copper prices, together with a rationalisation of Zambia's transport routes. While industry sources in Lusaka are not confident of a significant increase in the copper price for possibly a year or more, others are more hopeful of an earlier recovery in Western, principally European markets. There is some hope, as an article elsewhere suggests, that with the increasing use of the Tan-Zam railway, exports at least may pick up.

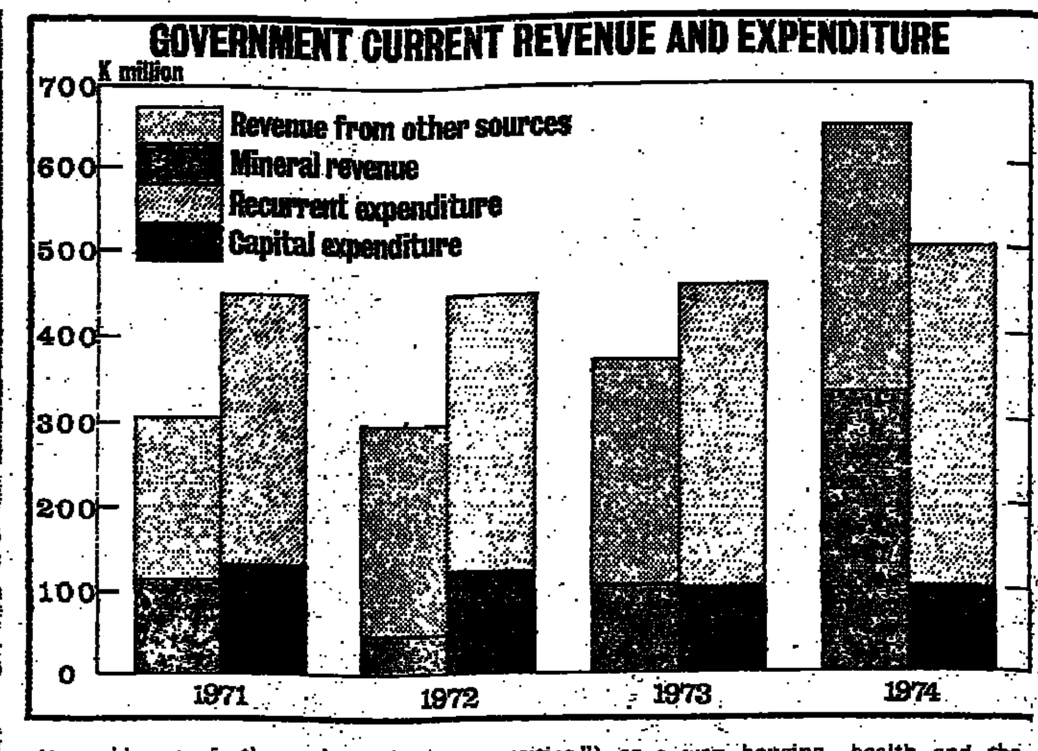
As for tougher domestic measures, the obvious curbs on foreign exchange remittances have already been introduced—foreign companies are now allowed to repatriate only 10 per cent. of profits (against 30 per cent. previously), holiday allowances for Zambians and foreign residents have been totally abolished and the amount of commuted leave pay expatriate workers in Zambia may take out has been reduced by two-thirds. According to the Finance Minister, Mr. Chikwanda, there is little room for further cuts in imports for three main reasons: further cuts would mean further reductions in Government revenue from customs: there is a limit to the degree to which import licensing authorities can efficiently operate restrictions: and there is a limit to the ability of local producers to supply the local market.

Some of the same criteria, the Minister suggested, apply to Government expenditure. Most observers now consider the expansionary January budget to have been mistaken. Although probably only some 40 per cent. of estimated capital expenditure has in fact been spent, the Government clearly sees political difficulties in drastically cutting recurrent spending. One area where cuts have been suggested is the hefty (some K60m. annually) consumer subsidies. Although President Kaunda declared in June that these would be cut, they are also seen (since they apply to food stuffs and other "basic necessities") as a way of checking wage demands—of "buying peace with the unions," as one minister put it.

For the time being, the Government seems to be feeling its way, in some state of shock at the apparent suddenness of the turnround in the country's economic fortunes. "For so many years we have thought of ourselves as rich, at least in comparison with many other developing countries" one senior Zambian said. "Now we have to realise that we are poor, and act accordingly. It is not easy." The same message has been given to Zambians, particularly in the last two or three months, by President Kaunda.

The country's economic difficulties have certainly now been realised by the Government, but the implications are not easy to digest. In the past, Zambians have believed that copper would provide, and it has: it has helped finance ambitious social projects—education, housing, health and the: it has helped Zambia to pay enormous costs of being in forefront of the sanc battle against Rhodesia; it helped her "socialise" nationalise a once totally fo owned and run economy. by failing to provide now time when there are so other adverse factors beyond Zambia's cor copper is making and will Zambians look anew at own economic realities. Al —and not before, time—rec couragement is being give Zambian farmers; already perhaps not soon enough) being realised that the between urban Zambians their rural counterparts be narrowed. Zambia is a very tough few years, with luck, and if tough deci are taken, it comes out o trough with a stronger than before.

Bridget Blc



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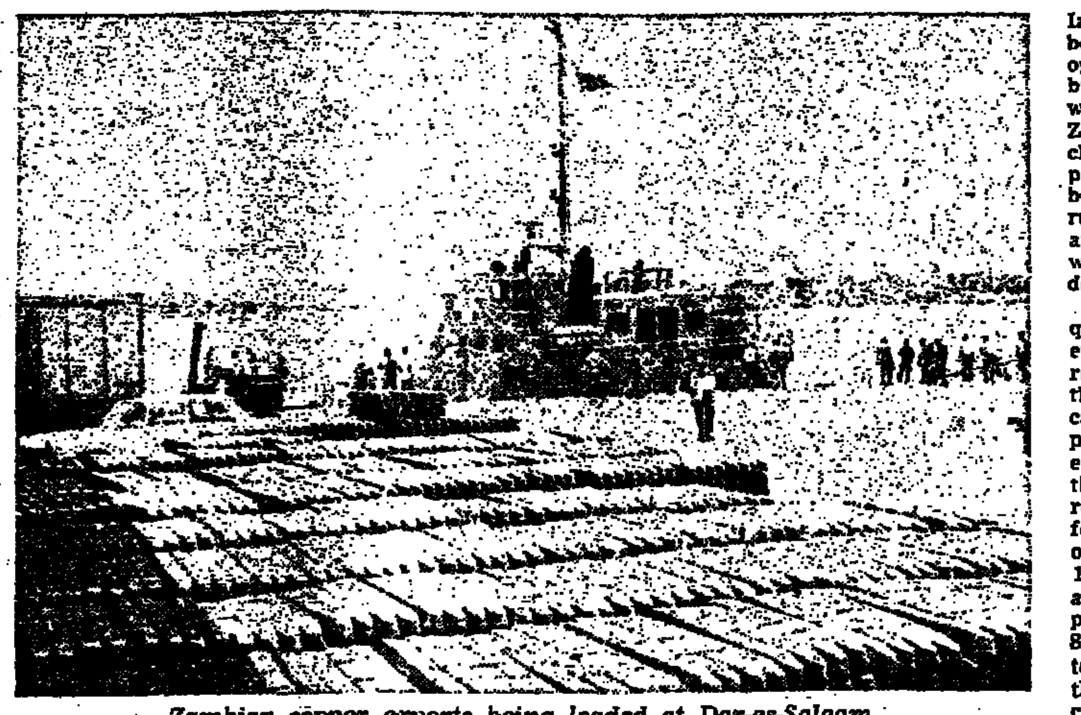
Complex transport problems



Zambian copper exports being loaded at Dar-es-Salaam.

E CAN be few countries ere in the world with rt problems as complex bia's. It is the archetypal ked state, with eight rs, none of them nearer 0 miles to the sea and good deal further away. or a country less depen- n foreign trade than , this would be bad . But to the physical ies must be added the l dimension, which has ated the problem in an ng way.

nt

e may be a few wry s in Lusaka to-day as to r or not Zambia was right the brunt of the world's n to impose sanctions on a in 1965. The fact is mbia has spent ten of its s of independence look- alternative routes for orts and exports to those lted in 1964, when some er cent. of its external as either with or went Rhodesia. And, by a twist of history, the last ars have been particu- ghtmarish, for no sooner ed) had Zambia decided could afford to cut its an links completely than te chosen as the major ive to Rhodesia was also

arly history of Zambia's s to cut its links to the relatively well known: DI, virtually all Zambia's and more than two- f its imports were car- Rhodesian Railways, ntly owned by Rhodesia and Zambia. Shortly after UDI, the unitary system was split, and though the line continued to carry copper to the Mozambique port of Beira, other routes came into increasing use. A joint Zambian-Tanzanian trucking company was established to convey goods along the "Hell Run" to Dar es Salaam (the road was only fully tarmacked three years ago); a TanZam oil pipeline was built, while traffic through Malawi, and particularly Angola, was stepped up. Most important of all for the future, Zambia and Tanzania decided, in 1966, to build a 1,870 km. railway to link the Zambian system to Dar es Salaam. An agreement was signed with China in 1969, and construction *started in 1970.* The costs, set at £169m., are being met on a ratio of 30/70 between Zambia and Tanzania, with first repayments on the interest-free loan due in 1980 and spread over 30 years.

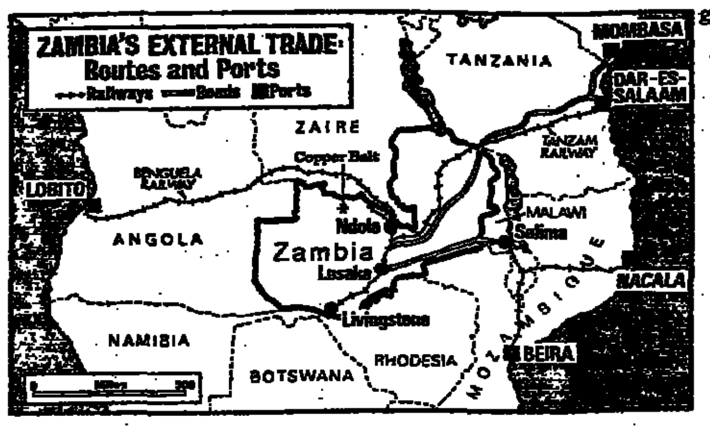
By early 1973, when track-laying for the new line had just begun in Zambia, and was already completed in Tanzania, Zambia began to feel that its problems were in sight of solution. Within a year or two, the Tanzam line (known locally as Tazara), although not due for completion until 1976, would be carrying some traffic, while the Benguela railway, which runs north into Zaire's copper belt and then westwards to the Angolan port of Lobito was well on the way to doubling its capacity through the introduction of diesel to replace the steam locos and the reconstruction of part of the line. Two years, so Lusaka's planners thought in 1973, would see Zambia able to do without Rhodesia.

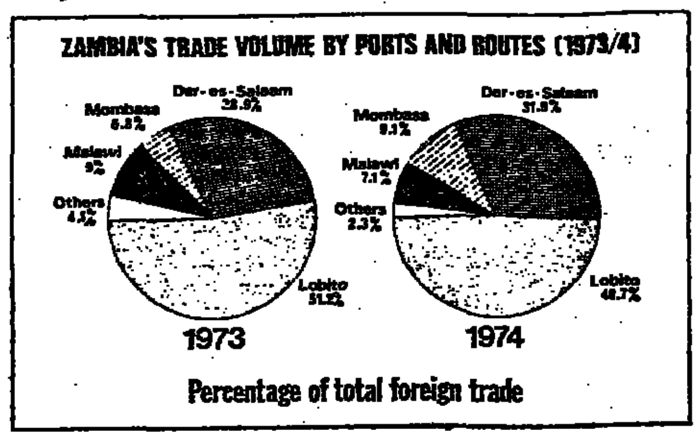
It was at this point, however, that Rhodesia's Prime Minister Ian Smith decided to close his border to Zambian traffic. He opened it again within a month but—and again these may be wry thoughts in retrospect—Zambia decided to keep it closed. Zambia was once again plunged into crisis, for until the border closure in early February, 55 per cent. of exports and 66 per cent. of imports were still travelling via Rhodesia.

Though it promised to be quite as bad as anything so far experienced, 1973 in fact passed relatively smoothly, partly thanks to greatly increased capacity on the Benguela line, partly due to Zambia's greater experience and partly because the enormous costs involved in re-routing (Sir Robert Jackson, for the UN estimated the cost of the border closure for 1973-1975 at £126m.) were partly *afforded out of higher copper* prices. Exports in 1973 were 813,000 tonnes (against 853,000 tonnes in 1972), which meant that most of the copper got to consumers, although imports dropped very considerably (from 1.2m. tonnes to 859,000 tonnes), and both consumer and capital goods for industry, agriculture and mining were on a stop-go basis and a great deal of use had to be made of air freight (25,000 tonnes *against just over 7,000 tonnes* in 1972).

But by the end of last year, Benguela, despite both congestion and strikes at Lobito port, was carrying 45 per cent. of imports and 50 per cent. of exports, and in July-August of *this year slightly more.* That was when fighting between Angola's rival liberation groups forced Zambia to declare that it could no longer use either the Benguela railway or the port of Lobito.

For the second time in less than three years therefore Zam*bia has had its major transport* artery suddenly excised, and while it can be argued that Zambia could have accepted Mr. Smith's offer to reopen the Rhodesian route, the closure of Angola is in no way Zambia's fault, and there is nothing Zambia can do to open it again, short of being able to persuade the Angolans to patch up their differences. This they are trying to do, but meanwhile the closure, against the background of falling copper prices and domestic recession, could hardly have come at a worse time.





There is only one bright spot in the depressing picture, and that is Tazara. Although the Chinese will not officially hand over the railway to Zambia and Tanzania until October next year, and although its vital communications system and other ancillary works are not yet completed, in the last month an estimated 15,000 tons of copper exports and a roughly equivalent amount of imports have been ferried to and from Dar es Salaam. According to Mr. Haswell Mwale, Zambia's energetic Minister of State for Contingency Planning, the line, whose eventual capacity is some 45,000 tonnes of freight a month, will not be able to take much more than 20,000 tonnes for several months. Even so, he is hopeful that Zambia's present copper production of some 60,000 tonnes a month can be fully shipped by the beginning of next year.

Whether it is will depend partly on the ability of the other available routes to stand up to increased traffic. The new road linking Zambia with the Mozambique railhead of Moatize, for example, is not tarred and may become impassable with the onset of the rains any day now. Increased tariffs have attracted an encouraging number of subcontractors to augment Zambian-Tanzanian road services to Dar es Salaam, but spares, always a problem, may become scarcer with the country's import difficulties. And there is always the problem of ports—Mombasa in Kenya, due to differences between Kenya and Tanzania, is no longer being used for Zambian traffic, and while congestion at Dar es Salaam is now much reduced and both Beira and Nacala in Mozambique appear to be working well, there are inevitable uncertainties which make precise prediction hazardous.

What seems certain is that for the next few months—unless of course Rhodesia or Angola were to be suddenly opened—there will not be enough capacity even for the reduced quantity of imports now in the pipeline. Traditionally much higher in volume than exports, through Zambia's many transport crises imports have always posed a greater problem than exports, and there is no reason to suppose it will be different now.

Bridget Bloom

Self-sufficiency the aim

HAS developed a scheme to make the self-sufficient in food on. A gigantic rural uction programme, cost- .5m. a year, has been . The programme is ded by 106 instructors from the Zambia Army recruits will ed in all the skills of development, including ure, animal husbandry, ft and poultry.

training no money paid to recruits except essential items such as food, protective cloth- transport. The trainees der military conditions rict discipline. After years they will be in co-operatives and main under the super- f the Zambia National until they prove self- During this year alone expected to cultivate hectares of maize, staple food, 1,325 of seed silk, and 200 each of cotton, sun- groundnuts, pineapples ns.

reconstruction camps n set up in each of the icts in Zambia's eight s. From next year, all m school leavers will 20 months' national raining before entering er education. During iod, they will work in construction camps.

ent Kaunda has financial institutions to re emphasis on rural nent when lending The Government has d producer prices of all an incentive to farmers. ulture in Zambia has heavily since indepen- 1964. The situation sened by the departure is when Zambia severed with Israel over the East war as well as the exodus of expatriate from the country. The has never measured up ectations despite the of effort being put into ing the 1973-74 season, icultural Finance Com- AFC) lent a total of to 16,443 peasant and cial farmers.

increase in output 1970 and 1974 was 6.9 t. for the agricultural sector as a whole and 3.7 per cent. for the subsistence sector. The reason for the low output has been that the average price paid to the agricultural producer has not kept pace with the increase in domestic inflation, thus worsening the terms of trade in the rural sector.

According to Zambia's second national development plan which ends next year, the basic objective in the rural areas was to improve the standard of living and create new employment and income opportunities. The importance of such development *is highlighted by the fact* that 70 per cent. of the country's population is still dependent upon agriculture but shares less than 10 per cent. of the nation's GDP.

Progress

The Government has embarked on three experimental programmes of intensive development zones (IDZ), but despite the efforts made, *progress on the projects has* been slow. According to the mid-term review of the SNDP produced in June this year, the schemes should be looked at again, possibly with a view to adopting different development strategies.

Although Zambia will have to put increased emphasis on the development of small-scale farming to create employment, it will continue for a long time to depend on expatriate commercial farmers if production is to increase and enable the country to export. State farms have proved expensive and unsuccessful ventures. Statistics for 1975 show that total acreage under cultivation has not increased.

It seems that a limit has been reached, and that instead of increasing total acreage under cultivation, farmers only switch crops in response to producer prices. At the moment only about 2 per cent. of Zambia's total surface or roughly 5 per cent. of total arable land is under cultivation. Agricultural pricing policies have not been conducive either to attract new farmers or to achieve increased production. As a result most foodstuffs have to be imported at substantially higher prices than those offered to local producers.

As a result of the Government's policy to keep prices low, agriculture continues to receive large subsidies. This year it is estimated that the Government may spend about K64m., an increase of 86.6 per cent. over 1974. The amount allocated to maize subsidies in a bid to keep down the price of mealie meal, Zambia's staple food, accounted for 36.6 per cent. in 1974 compared to 72.6 per cent. in 1973 when maize was imported, and about 32.2 per cent. for 1975. The rural consumer does not benefit and *if he does, it is* very little from the subsidies, which only help to widen the income gap between the people in the rural areas and those in urban areas.

Apart from copper, the country's second largest income earner is tobacco, although the 1973-74 season has been disappointing as far as yields are concerned. Total output of Virginia tobacco dropped from 6,230 tonnes in 1973 to 6,201 in 1974, despite an increase of 24 per cent. in acreage under cultivation. Burley tobacco production also declined from 471 tonnes in 1973 to 430 tonnes in 1974. Despite the drop in output in 1974, the value realised was higher than in 1973. A total of 9,000 tonnes of tobacco is expected to be produced in 1974-75 by commercial farmers and under schemes operated by the Tobacco Board of Zambia. Despite the low prices offered by overseas buyers Zambia expects to fetch about K7m. from tobacco exports.

Production of groundnuts increased by 16 per cent. from 2,960 tonnes in 1973 to 3,435 tonnes in 1974. For the 1975 season, output is expected to be higher because of the K2 increase in the producer price. Production of oil seed has continued to grow substantially in 1974, increasing from 1,050 tonnes in 1973 to 3,296 tonnes in 1974. Despite this satisfactory progress, demand for edible oils, estimated to stand at about 13,000 tonnes, is still far above production levels. During the first nine months of 1974 Zambia spent about K5m. of foreign exchange on imports of edible oils.

Tim Chigodo
Lusaka Correspondent

Copper crisis a serious blow

ZAMBIA'S COPPER belt stretches for only some 60 miles along the country's northern frontier with Zaire. Yet from this area, in 1974, came 98 per cent. of the country's foreign exchange earnings, 52 per cent. of Government revenue, and 15 per cent. of total paid employment. Ever since its development as a large scale modern industry in the 1930s, copper has dominated the economy and it does so still to-day.

The industry however, is in the middle of its most difficult times ever. The major problem stems from very low prices on a stagnant market. Though prices have always fluctuated, they have probably never been as low, compared to production costs, as they are now, having halved in a year, while costs have risen by 20-30 per cent. The low price, and the acute evacuation difficulties Zambia has experienced, first with congested ports and latterly with the closure of the route which carried 50 per cent. of copper exports, threatens the industry with its most serious crisis to date.

Zambia's copper is mined by two major companies, now owned 51 per cent. by the Government but on independence—when there were eight mines in production—wholly-owned by the Road Selection Trust and the South African group, Anglo American. Following the Government takeover in 1970, the two groups were renamed: in addition to its major mines of Luanshya, Chibuluma, Chambishi, Kalengwa (not actually on the copper belt) and Mufulira, the world's richest underground copper mine, Roan Consolidated Mines (RCM) also operates Baluba acquired in 1971 and in production since 1973. The former Anglo group, renamed Nchanga Consolidated Copper Mines (NCCM), includes Rokana, Chingola, Konkola (formerly Bancroft) Nampundwe and Broken Hill mines, with Bwana Mkubwa being revived in 1971. Kanshanshi, the oldest known mine in the country, was originally due to restart production next year, but is a casualty of the current crisis.

Output is shared between NCCM and RCM in a rough ratio of 4:3, although RCM's production fell following the mine disaster at Mufulira in 1970 (it is now once more fully operational). Total production at NCCM was 407,000 tonnes in 1973, and 416,147 in 1974. For RCM the totals were 275,162 and 293,333 tonnes. This year, production is estimated at something under 280,000 tonnes for RCM and 394,000 tonnes for NCCM. Both companies say that the fall in production is due to last November's cutback of 10 per cent. (subsequently 15 per cent.), agreed by the Council of Copper Exporting Countries (CIPEC), of which Zambia is a member, rather than to actual production difficulties.

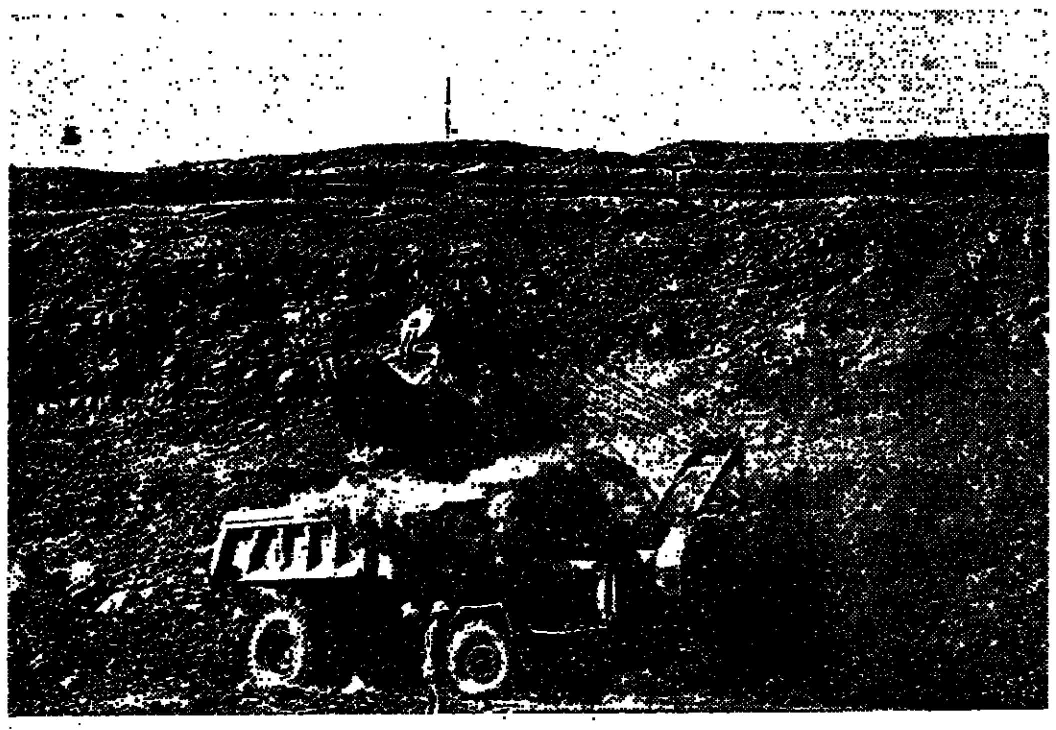
The CIPEC decision had little, if any, effect on prices, and copper sales over the past year reflect the declining revenues of the two companies. As the Bank of Zambia report says of the CIPEC decision: "Although the action was well intended, it was badly timed. CIPEC controls only about 30 per cent. of the world copper output and about 60 per cent. of world copper exports . . . the CIPEC action, taken in an oversold market with prices at the bottom, had little chance of success since producers had already run down a fair amount of their foreign reserves and could not afford to finance the level of the cutback which would have been needed to lift the price appreciably."

Although in 1974 production increased by nearly 4 per cent., actual combined sales of the two companies rose only 2.4 per cent. from 666,462 tonnes in 1973 to 682,500 tonnes in 1974. The widening gap came as a result of Zambia's chronic transportation problems arising principally from congestion at the two main ports of Lobito in Angola and Dar es Salaam in Tanzania. The situation is currently rather worse, for although Dar es Salaam port turnover improved markedly in the middle of this year, guerilla fighting in Angola closed both the Benguela railway and Lobito to Zambia (and any other) traffic early in August.

An aerial view of the plant area at Luanshya copper mine.

Benguela

The closure of Benguela resulted in the introduction of *force majeure* restrictions of 20 per cent. in August, which was raised to 30 per cent. for RCM and 40 per cent. for NCC earlier this month. No one in the industry is ready to estimate sales for the current year, for so much will depend on the ability of the existing routes (boosted by part-use of the Tan-Zam railway) to get the copper out. But early published results—referring to periods *before* the Benguela shutdown—indicate the problems ahead. In the quarter March-June this year, RCM, for example, estimated sales at K62.4m.; cost of sales were estimated at K61m. The problems are similar for NCCM and may actually be worse (the 40 per cent. restriction, 10 per cent. higher than RCM, was imposed because NCCM is currently relying on road transport to evacuate its copper, while RCM production has been using the Tan-Zam route). The chairman of NCCM, in his annual statement in July (referring to the year ended March 1975). put it this way: "Gross proceeds from copper (over the two previous years) fell by 17 per cent. from K517m. to K430m. The average gross revenue per tonne of copper similarly fell from K1,300 to K1.087. These results underline the extent to which our company's performance has been affected by the worldwide trade recession. As copper prices have continued to fall since March 31, 1975, the immediate future looks bleak indeed."



Open-cast coal mining at Maamba.

In the past, and taking good years with the bad, both companies have not only been able to provide substantial revenue to Government (which included the large sums required to buy out foreign shareholders) but have financed their own expansion. Inevitably expansion programmes have now had to be cut back—NCCM is to cut at least K10m. from its current year's total of K59m.—which includes delaying the operations of Kanshanshi until conditions improve—and recourse to international loans has been made. Since March, NCCM has raised loans of K40m. from the Standard Bank Zambia, U.S.$100m. from a consortium led by the Citicorp International Bank and has arranged for a facility of up to U.K.£25m. from Standard Bank London. RCM, which has also borrowed smaller sums, was reportedly in negotiation with Citicorp when the announcement of the Benguela railway closure was announced and negotations stalled.

As to the structure of the industry, the last year has seen the complete settlement of the process of Zambianising control of the mines, begun in 1969. Given copper's dominance in the economy, it was hardly surprising the Government sought control, and negotiations with RST and Anglo American, begun in 1969, were concluded with agreements which came into operation in January 1971. Under these, the State bought 51 per cent. in each of the two new groups at a cost of about K209m., of which K125m. was payable to Anglo and K84m. to RST. Six per cent. bonds, guaranteed by the Government to minority shareholders in respect of the purchase price, were issued by Zambia Industrial and Mining Corporation (ZIMCO), which, though not due to be repaid fully until the 1980s, were redeemed—at around K150m.—in September, 1973.

The 1971 agreements, however, also granted the minority partners management contracts for the two groups, as well as certain other contracts, for sales and technical services, which carried agreed fees. These contracts, were terminated by the Government and agreement was reached with RST and Anglo in November, 1974, with K33m. being paid as compensation to Anglo and K22m. to RST. Since then, the two companies have been self-managing, with an agreement on "best endeavour" basis with the two minority partners for continued technical services. Sales are now under the exclusive control of the state Corporation, the Metal Marketing Corporation (Memaco).

The new agreements were, by all accounts, concluded amicably and are working well, although the continued decline in and high turnover of expatriate personnel on the mines worries both companies. In July, Mr. Soko, NCCM's chairman, declared that even though the rate of expatriate turnover had decreased from 27 to 24 per cent. between 1973 and last year, "a new and disconcerting trend developed, namely the number of resignations of highly skilled and experienced expatriate personnel." Given the state of the industry (and of Zambia's economy at present) as well as the competitic mining industries in countries, it is difficult how the trend can be reversed, although longe contracts for worker: clearly cannot be repla Zambians for some ye come are among measur being tried.

Bridget B

Mineral exploration

ZAMBIA HAS launched a massive minerals exploration programme to cover a number of new projects including prospecting for lead, gold, chrome, nickel, iron, tin and tantalite. The aim is to diversify the mining industry, which at the moment depends entirely on copper and, to a smaller extent, lead.

Mining Development Corporation (Mindeco) is already earmarked to open up a chain of mines in the southern, eastern and Luapual provinces of Zambia. Large deposits of tin and tantalite ore have been discovered between Batoka and Livingstone in the southern province. Excavation work has already started at Syampundwe near Choma, where the first open pit mine is to be established.

Zambia has been found to be rich in phosphate and a wide range of industrial minerals which need to be exploited. Mindeco is particularly concerned with increasing its efforts to find and develop the industrial minerals that are now being imported into the country. The group was also interested in developing viable mining operations away from the railway routes, where mineral development had been lacking.

Mindeco plans to open mines throughout the country if projects are found to be viable. The new developments are expected to create more job opportunities in the rural areas. Mindeco also wants to supplement production by small co-operative mines which will sell their produce to Mindeco. Previously, small European miners exploited a variety of deposits throughout the country and sent the ore to Rhodesia, where it was processed. These have now been acquired by Mindeco Small Mines, a subsidiary of Mindeco.

For a continuous programme of minerals exploration, Mindeco has established an exploration subsidiary, Mindex, headed by a Canadian, Mr. Alex Burton, as chief geologist. Other minerals on the prospecting list include clays, amethysts, emeralds and gypsum manganese. A number of untapped deposits have been discovered in addition to those already earmarked for mining.

Mindeco has plans to begin reworking a manganese deposit near Mansa in the Luapula Province and phosphates deposits at Kaluwe near Lusaka. As a result of mining expansions, mining companies have increased their consumption of coal from Zambia's only coal mine, Maamba Colliery, situated in the southern province. Owing to the rise in oil prices and growing industrialisation, consumption of Maamba coal has increased from 800,000 tonnes in 1974 to 1m. tonnes in 1975. A recent survey carried out by Mindeco shows that in ten years' time the demand for coal from Maamba could reach about 1.2m. tonnes. Maamba's future production is now being planned to enable coal stocks to be built up. At present, the colliery produces about 21,000 tonnes of coal a week, which is all being consumed.

Tim Chigodo
Lusaka Correspondent

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[A]frica wants [h]igher [c]offee quota

By Our Own Correspondent

NAIROBI, Oct. 23.

[TH]E INTER-AFRICAN Coffee [Or]ganisation (IACO) ended its [an]nual general meeting here to-[nig]ht after a non-stop sitting [las]ting over seven hours, during [wh]ich it was agreed that Africa [mu]st obtain a bigger share of [the] world quota in the new In-[ter]national Coffee Agreement to [be] decided in London next [mo]nth.

[M]r. Charles Banny, secretary-[gen]eral of IACO, said the con-[fer]ence had decided on the [str]ategy to use in the forth-[com]ing negotiations, but would [not] reveal details. "We feel [tha]t the African performance on [the] market has increased, and [we] should negotiate with other [pro]ducers and consumers to [rec]ognise this fact," he said.

"We have no definite figures [in m]ind at the moment. We will [dec]ide the precise measures to [be] taken to achieve an increased [mar]ket share for Africa when [we] meet in London."

[A]sked about the African view [on] prices, he said the conference [had] agreed that they were still [too] low, despite the increase [whi]ch had occurred as a result [of] the frosts in Brazil in July. "[W]e have our opinion about [wha]t should be done, but this [will] have to be discussed with [oth]er producers."

[T]he conference did not take a [dec]ision on where in Africa to [si]te the IACO headquarters, [whi]ch are now in Paris.

U.K. wool sales rise by 20% this year

BY PETER BULLEN

LARGE WOOL stocks overhanging the market did not give much hope of an early increase in world prices, Mr. W. Elliot, chairman of the British Wool Marketing Board, said yesterday. But he did offer "a word of cautious optimism" to U.K. producers.

Speaking at the Board's annual meeting in London, Mr. Elliot said it had managed to sell out its British wools, while main competitors had been forced to stockpile. This was in spite of the lack of buying interest in the main overseas markets.

"Our most recent figures show that, so far this year, we have sold 20 per cent. more wool than at the same time in 1974, at an average price increase of 18 per cent," he said. "While I cannot give you the sort of report I would have liked, I can tell you that—after, perhaps, the most difficult year we have yet faced—we are well placed to take advantage of any uplift in the market."

Ready availability of British wools, high transport costs from the southern hemisphere and the relative weakness of sterling were all working in Britain's favour as sellers.

It ha dbeen a difficult trading year, however, with prices falling by 40 per cent between May 1974 and February 1975. There had been some improvement since then, but the wool textile industry remained in the grip of the worst depression since the 1930's.

Manufactured goods

"Almost daily we hear of more firms closing or going on short-time, of falls in exports of manufactured goods, of production being sustained only by the sort of price-cutting that would normally be regarded as suicidal.

In recent months, two major wool producing countries, New Zealand and South Africa had devalued their currencies with no more than a momentary effect on wool market prices. There were also persistent forecasts of an Australian devaluation, with further upheavals in the wool pricing structure.

In adddition, world wool stocks were estimated at 800m. lb more than 15 per cent. of the annual clip. "This does not give much hope of an early increase in world price," said Mr. Elliott.

● A sharp increase in prices for merino wools on the U.K. market has taken place over the past 10 days. The Bradford wooltops 64s price rose by another 2p yesterday, to reach 200p a kilo. The rise of 10p in just over a week has brought the price up to its highest level since July 1974.

Firmer prices were also reported from Australian and South African wool sales yesterday. In Melbourne the trade took 81 per cent. of the bales on offer, 53 per cent. in Albany and 79 per cent. in Sydney, reports Reuter.

In the South African sales at Durban and Port Elizabeth, competition for the wool was described as "very good," and the prices firmer than at Tuesday's sales.

Bacon price reaches new peak

By Richard Mooney

WHOLESALE BACON prices reached record levels again yesterday with the announcement during the day of a £40 increase in first-hand prices by Danish, British, Irish and Ulster curers. The move was led by the Danes who increased their A1 bacon price from £890 to £930 a ton.

This is seen by the trade as an attempt to recoup most of the £42 a ton drop in the monetary compensatory amount (MCA) paid on bacon exports to Britain as a result of recent "green pound" devaluation.

The Danes clearly feel that the British market will be able to sustain the new price, but some trade sources are less confident. They point to recent signs of consumer resistance and argue that the latest increase must take the price close to the level at which a significant cutback in demand might set in.

U.K. producers seem to agree with the Danes as they have all matched the rise. The higher price they are thus enabled to pay to producers should be sufficient to counter the growing attractions of the pork market, with which they have to compete for supplies.

However, all are agreed that the balance between supply and demand will be delicate at the new price, leaving little room for the Danes to recover the further £38 a ton cut in returns which will result from the next adjustment to the accession compensatory amount (ACA) due on November 1.

Next week's retail price increase is expected to be spread over all cuts, with the exception of streaky bacon, and should average about 2p a lb.

HUNGARIAN AGRICULTURE

Running a farm with 4,000 workers

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

BECAUSE THE Russians don't seem to be as successful in agricultural production as free enterprise Americans, it is fashionable to assume that nationalisation or State control is a sure guide to failure in any farming enterprise.

But there are exceptions. I recently visited a State farm in Hungary, where the methods and the production itself are well up to the best I have seen anywhere in the world. Profits are also said to be good.

But under these circumstances, accountancy could be a fairly subjective exercise. It is impossible to assess the true cost of anything in a Communist State in normal Western business terms.

The Babolna State farm was originally founded in 1790 for the provision of horses for the rulers of Hungary and there are still over 1,000 Arab and thoroughbred horses in various studs. During my visit, I toured an area of about 26,000 acres, about 15,000 of them in crops and the balance forest, pastures, etc.

Three other State farms have been taken over in widely separated sites latterly, the total area now being over 50,000 acres.

The present director, Dr. Robert Burgert, has been in charge for the last 16 years. He has directed the enterprise with great skill and the sort of financial and political backing that any free enterprise farming tycoon would envy.

His objects are to farm the land to the highest peak of production, and to ensure that it makes its contribution to his country's earnings in foreign exchange. He is not ashamed to learn from abroad; the farming techniques are straight from the American Middle West.

Practically the whole of the tillage area is under maize on a continuous monocultural basis. The crops being harvested had few equals anywhere along our 390 kilometres drive through Hungary. The 14,000 acres of maize will average about 2.5 tons of grain an acre, which is good by any standard.

Tractor power consists of two 300 h.p. tractors and eight 90 h.p. ones. Dr. Burgert hopes that he will eventually manage with just five 300 h.p. tractors.

A little maize is sold for export, but the bulk of it is used for the production of poultry, pigs and sheep. There is a breeding flock of about 1m. chickens for producing laying stock, day-old chicks and hatching eggs.

Development of these enterprises depends on increasing their efficiency in the output of eggs and meat, entailing constant testing and evaluation of large numbers of strains of chickens.

To do this the Hungarians have formed a 50-50 partnership with a West Germany company, Protinas, which provides expert help with breeding and sales. The main strain produced, "Tetra," is being marketed in western Europe (including Britain), north Africa and the Middle East.

Day-old chicks

Last year more than 40m. day-old chicks were exported, besides large numbers of hatching eggs. Over 500 chartered aircraft were used for this trade in 1975 and it is expected that this will rise to a thousand next year. Total exports are expected to reach 15m. this year.

I am not qualified to say whether Tetra chickens are any better than those produced under much the same systems in the West. But it is probable that, eventually, the high costs of animal breeding research in western Europe and America, as compared with those in Hungary, will give Bablona a tremendous advantage in the future. (Wages there are about £15 a week, plus a 20 per cent. share of profits). This is also the view of German technicians who are supervising the work.

It is difficult to find out just how the farm's 4,000 employees, including 160 graduates, are occupied, but at least 1,000 are said to be working directly with the poultry and about the same number in industrial projects.

On the pigs side, 2,200 sows are being evaluated with an eye on export markets as well as for local breeders. As far as could be seen, the techniques of stock handling, buildings, etc., were of the highest.

A more controversial enterprise, economically, is a pilot project for 2,000 breeding ewes kept on slats under cover the whole year round. These are being fed on dried grass or dried green maize pellets and are expected to lamb twice within 14 months.

The lambs are removed from the ewes at birth and reared artificially, the ewes being dried off so that they come into season again with 80 days. The aim, again, is to provide tested breeding stock for export to other countries.

This sheep enterprise, based on one run by Protinas in Germany, is said to be particularly applicable to areas like the Middle East where grass seldom grows and there is no real point in letting the sheep run out on pasture.

But I would have doubts about its viability under European conditions unless the lamb price was very high. Sheep, like cattle, are poor converters of food resources into meat, and probably thrive better and more economically on an extensive system.

Bablona is not typical of Hungarian agriculture as a whole, however. Few of the co-operative farms, which occupy 85 per cent. of the land, would be able to marshal the resources of the State Farm. And the fact that Dr. Burgert is a member of the central committee of the Communist Party must help.

But it does demonstrate that, properly farmed, the land can attain a very high standard of productivity. In areas such as pig and poultry breeding, which require intensive investment in manpower, a controlled economy will probably become an extremely serious competitor to enterprises based in Western countries.

World cocoa estimate raised

BY RICHARD MOONEY

WORLD COCOA production in the 1974-75 season was the second highest on record, according to London merchant Gill and Duffus. In its latest cocoa market report, the company puts total output at 1,495,000 tons, a figure only exceeded by the 1,557,000-ton outturn in 1971-72.

The new figure is 27,000 tons higher than the 1,468,000 estimated in the previous report, issued at the beginning of September. But since the seasonal grindings estimate is also raised, from 1,371,000 tons to 1,383,000, the expected surplus is only 15,000 tons higher at 97,000.

The higher figure for world production is attributed to the unexpectedly large Bahia temporao crop in Brazil, which the report describes as "stupendous." This brought belated compensation for disappointing main crops in Ghana and Nigeria.

"The steep decline in world usage of cocoa appears to have been partially arrested," the report notes. Grindings for the calendar year 1975 are now forecast at 1,407,000 tons, implying a decline from 1974 consumption of only 3 per cent.

"The belief that, in a number of countries, cocoa consumption may be starting to turn round again after a period of substantial decline derives support from recently released third quarter grindings figures for the five principal Western consumers."

In spite of the apparent surplus of production over consumption there was a continuing tightness of actual supplies.

Over 150,000 tons of world output came from the May-September Bahia temporao crop. "A substantial part, therefore, of Brazilian production was not shipped before the end of the season. At the same time, cocoa from the 1974-75 season continues, and is likely to continue for quite a while, to be shipped from Nigeria."

Attention is also drawn to the fact that world stocks remain exceptionally low. With these standing at an estimated 349,000 tons, "even after allowance for spill-over of the 1974-75 surplus into the current season, a dramatic fall in the price of cocoa seems unlikely."

On the recently negotiated International Cocoa Agreement, intended to become effective from October, 1976, Gill and Duffus notes that the effective support price of 47 cents will mean an actual cost to manufacturers of over £600 a ton, if the current premium for physical cocoa persists.

Unless 1975-76 world production turns out to be above the 1,472,200 tonnes predicted by the International Cocoa Organisation statistics committee, bringing a decline in physical premiums, cocoa could once again become exclusively "the food of the gods," the report warns.

PRODUCERS' MILK PRICE DECISION

By Our Commodities Staff

MILK PRODUCERS will receive just over 1.9p a gallon more for all the milk they produce between October 1, 1975 and March 31, 1976, the Milk Marketing Board decided yesterday.

The Board decided to pay the extra money gained by last week's devaluation of the "green pound" over the full six months, instead of five months as many had expected.

Total milk supplies in England and Wales last month dropped again the Board was told. Supplies were down 3.3 per cent. on the September 1974 figure, at 182.81m. gallons. Liquid milk sales were up, however, from 125.27m. to 128.07m. gallons, or 2.2 per cent. This meant a drop of over 14 per cent. in manufacturing milk supplies, from 63.86m. to 54.74m. gallons.

FALL IN LONDON METAL MARKET

By Our Commodities Staff

THERE WAS a general decline in prices on the London Metal Exchange yesterday. The move downwards was led by the Copper market where a total lack of fresh buying demand was reported. Stop-loss and hedge selling brought cash wire-bars down £3.5 to £553.75 a tonne at the close.

Following a slight easing in the Penang market overnight and influenced by the downward trend in copper, cash tin prices fell to £3,059.5 a tonne, £18.5 down on the day.

With an abundance of supplies of cash tin available, no buffer stock support was evident. Similarly, producers did not appear inclined to support prices in the zinc market, where cash zinc closed £1 lower.

[S]lide in farm [l]and values [c]ontinues

[Fi]nancial Times Reporter

[AN]OTHER INDICATION of the [cont]inuing slide in farmland [valu]es since the record levels of [...] is given in the latest survey [by] the Country Landowners' [Asso]ciation.

[Fo]r the three months to the [end] of July, the average price of [land] sold with vacant possession [was] £490 an acre—£181 lower [than] during the equivalent [peri]od in 1974. The value of [te]nted land fell even more [shar]ply, to £298 an acre, down [...]

[Th]e figures are based on an [analy]sis of 161 land sales. Institu-[tions], as opposed to private [owne]rs or family trusts, bought [...]er cent. of the 33,100 acres [in th]e sales, compared with nine [per c]ent in the previous quarter.

India considering jute exports

BY P.C. MAHANTI

CALCUTTA, Oct. 23.

INDIA'S 1975-76 jute crop is forecast now at only 5.5m. bales, compared with an even smaller 4.7m. bales in the previous season. Yet the Commerce Ministry is seriously thinking of releasing a sizeable quota for the export market.

The Ministry feels obliged to consider the step as the Indian jute mills—hit hard by a catastrophic fall in export orders and the severest-ever credit squeeze in the Indian economy—are unable to absorb what growers are off-loading in the market.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

[illegible]

COFFEE

[illegible]

SILVER

[illegible]

COCOA

[illegible]

FREIGHTS

[illegible]

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

GRAINS

[illegible]

SUGAR

[illegible]

WOOL FUTURES

[illegible]

MEAT/VEGETABLES

[illegible] ... 28 lbs Golden Delicious 72/84 1.50-1.70, per 38 lbs jumble 1.90, per 20 lbs Starkings 1.30-1.30. Starkrimson 1.50, per case Granny Smith 136/150 4.30: Hungarian: Per 44 lbs Starkings 3.60. ½-boxes Granny Smiths 72/84 2.00-2.15. Bananas—Windward Islands: Per 28 lbs 2.70: Jamaican: 2.70. Pears—Italian: Per pound Williams 0.10-0.11. Grapes—Belgian: Per pound 0.50: Spanish: Per 11 lbs Almeria 1.00-1.20. Black 1.30-1.40. Melons—Spanish: Yellow 2.00-2.20, green 1.30-1.40. Date—Californian: Per carton 0.19½: Iraqui: Per packet 0.08; Algerian: 0.25-0.27. Pomegranates—Spanish: Per 40/70 1.30-2.00. Tomatoes—Jersey: 1.50; Spanish: 1.60-2.60: Romanian: 1.60. Onions—Spanish: 4/5 3.40-3.50: Polish: 3.20, Picklers 2.80. Cucumbers—Canary: 1.70-1.80. Brazil Nuts—LWM per pound 0.20. Almonds—Per pound Soft Shell 0.23. Walnuts—French: Per packet approx. 10 lbs 3.20-3.50; Chinese: Per pound 0.20; Californian: Per pound 0.27. Cranberrie—U.S.: Per 8 ozs 18 2.16, 16 oz 24 5.04. Figs—Turkish: Per ozs 0.11. Chestnuts Italian: 3.90: French: 3.60.

English produce: Lettuce—Per 12 round 0.50. Cucumbers—Per tray 12 1.90, 14 1.70, 16 1.60, 18 1.20. Potatoes—Per 56 lbs White 2.40, Edwards 2.50. Cabbages: Per bag Primo 0.80. Cauliflowers—Per 12 1.40-1.70. Mushrooms—Per pound 0.30. Apples—Per pound Cox's Orange Pippin 0.05-0.10, Russets 0.06-0.09, Laxtons 0.07-0.08, Bramley's 0.06-0.09, Derbys 0.06, Worcester Pearmain 0.05-0.07. Celery—Per 12 1.00, pre-packed 20/25 1.60-1.90. Cob nuts—Per pound 0.43. Sprouts—Per 28 lbs 2.00-2.40. Beetroot—Per 12 lbs 0.70. Onions—Per 56 lbs 2.70. Picklers 56 lbs 2.70. Parsnips—Per 28 lbs 1.00. Swedes—Per 28 lbs Devon 0.60-0.70. Carrots—Per 28 lbs 0.50-0.60. Tomatoes—Per 12 lbs 0.50. Pears—Per lbs Conference 0.08-0.10, Comice 0.11-0.12.

★

JUTE

DUNDEE—Quiet. Prices c. and f. U.K. for Oct.-Dec. shipment: BWB £195, BWC £188, BWD £182. Tossa: BTB £198, BTC £190, BTD £184. Calcutta goods easier. Quotations c. and f. U.K. for Oct. shipment: 10-oz. 40-inch £6.82, 7½-oz. £5.19 per 100 yards. Nov. £6.96 and £5.31, Dec. £7.14 and £5.46. "B" twills: £21.87, £22.04, £22.11 for the respective shipment periods. Yarn and cloth quiet.

LONDON—Quiet. Bangladesh White 'C' grade Oct.-Nov. £195; 'D' grade Oct.-Nov. £188. A long ton.

CALCUTTA—Steady. Indian Oct.-Dec. Rs.450.00: Dundee Daisee Oct.-Dec. Rs.422.50 values. A bale of 400 lbs.

COTTON

LIVERPOOL COTTON—Spot and shipment sales in Liverpool amounted to 180 tonnes, bringing the total for the week so far to 1,558 tonnes. Dealings lacked support from customers. Small transactions in Middle Eastern growths were reported with Russian and Iranian qualities predominating, F. W. Tattersall reports.

★

COPRA—Philippines: Oct. $284, Nov. $285, Dec. $288 resellers per tonne c.i.f. North European ports.

More Israeli produce for Europe

By Our Own Correspondent

TEL AVIV, Oct. 23.

SUBSTANTIALLY LARGER quantities of fresh fruit and vegetables (other than citrus) are to be shipped to European markets this winter by Agrexco, the Israeli agricultural export company.

Total shipments of vegetables are likely to reach 91,000 tons during the year which started at the beginning of this month, as compared with 62,000 in 1974-75, with the value put at $25.5m. f.o.b. against $17.5m.

Lower prices are apparently envisaged for fruit, since the export target of 26,000 tonnes, valued at $14.5m. compares with 15,500 tons and proceeds of $12.2m. a year earlier.

PRICE CHANGES

Prices per ton unless otherwise stated.

	Oct. 23 197-	+ or —	Month ago
Metals			
Aluminium	£396	......	£396
Free Market cif	£525-535	......	£530-540
Copper			
Cash Wire Bars	£553.75	—3.5	£589
3 months do. do.	£575.25	—9.5	£611.25
Cash Cathode	£539.75	—7.75	£574.75
3 months do.	£561.5	—9.5	£596.5
Gold Troy oz.	$144	—0.75	$135.
Lead Cash	£161	—3.75	£174.75
3 months	£168.25	—4.0	£182.75
Nickel	£2,547.8	......	£2,081
Free market cif (lb)	$1.81-1.9	......	$1.8-1.95
Platinum troy oz.	£78½-81½	......	£85-87.5
Free Market	£69.4	—0.4	£75.2
Quicksilver (76lbs)	$95-100	—2.5	$107-111
Silver Troy oz.	208.7	—0.35	219.9p
3 months	215.5	—0.45	225.4p
Tin Cash	£3,059.5	—15.5	£3,118.5
3 months	£3,116.5	—18.0	£3,178
Wolfram 22.04lb.cif	$40.5-2.5	—0.5	$42-46.5
Zinc Cash	£337	—1.0	£336
3 months	£348.525	—0.825	£349
Producers	£390	......	£360
Oils			
Coconut Malayan	‡	......	‡
Groundnut			
?	£440	......	£437
Linseed Crude	£400	—5.0	£435
Palm Malayan	£198	......	£198
Soyabean	‡	......	‡
Seeds			
Copra Philipp	$204	—6.0	$225
Gr'nuts Nigerian	‡	......	‡
Linseed Can No. 1	£159	—2.0	£173.5
Grains			
Barley EEC	£65.5	......	£61.5
Home Futures	£72.25	—0.35	£65.45
Maize			
French No. 3 Am.	£65	......	£68.5
S.A. Yellow	‡	......	‡
Wheat			
No. 1 Red Spring	‡	......	‡
No. 2 Hard Winter	‡	......	‡
Australian f.a.q.	‡	......	‡
English Milling	£68.0	......	£68.5
Cocoa Shipment	£698	+1.0	£643
Futures March	£644.75	+5.25	£606.25
Coffee Shipment (c)	72.5	......	72.5
Futures Jan.	£744.75	—0.25	£728.25
Cotton 'A' Index			
spot	55.7	—0.05	55.1
Jute LJABWC	£195	......	£195
Rubber kilo	32.5	......	32.25p
Sisal EASL	£600	......	£600
Sugar (Raw)	£158	—4.0	£168
Wooltops 64s kilo	200p	+2.0	180p
Cloves (Madagascar)	£2,600	......	£2,400
Pepper White ton	£940	......	£880
Black ton	£740	......	£675

* Nominal. † Seller. § Unofficial close. ♣ Indicative price. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C." ‡ Unquoted. a Seller's quotation. h Nov. ¤ Metric tons. r September. p Aug.-Oct. t Nov. w Nov.-Jan.

FINANCIAL TIMES

Oct. 23	Oct. 22	Month ago	Year ago
172.11	172.74	179.18	196.11

(Base: July 1, 1952=100)

REUTER'S

Oct. 23	Oct. 22	Month ago	Year ago
1134.5	1139.1	1160.4	1227.6

(Base: Sept. 18, 1931=100)

DOW JONES

Dow Jones	Oct. 23	Oct. 22	Month Ago	Year ago
Spot	298.15	300.86	312.99	397.40
Futures	281.09	281.52	299.09	87.98

(Average 1924-25-26=100)

MOODY'S

Moody's	Oct. 23	Oct. 22	Month ago	Year ago
Sple Comm'ty	778.5	776.9	811.9	871.8

(Dec. 31, 1931=100)

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed): Shelf cod £2.20-£3.20, codlings £1.60-£2.30; Shelf haddock large £2.20-£2.60, medium £2.00-£2.10, small £1.50-£1.90; large plaice £3.60-£3.80, medium £3.00, best small £2.80; large skinned dogfish £4.40, medium £2.80; coalfish £1.00-£1.20; lemon soles £4.50; rock fish £1.20-£1.50; reds £1.20-£1.50.

U.S. MARKETS

NEW YORK, Oct. 23.

[illegible]

Wheat—SCWRS 13.5 per cent. protein content St. Lawrence 559½ (560½).

All cents per pound ex-warehouse unless otherwise stated. * Cents per 60-lb bushel ex-warehouse. ◎$'s per troy ounce—100-ounce lots. † Chicago loose $'s per 100 lbs—Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. †† Cents per troy ounce ex-warehouse. b New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Decatur and Illinois. ‡ $'s per troy ounce for 50-ounce units of 99.9 per cent. purity delivered NY. ** Cents per 60-lb bushel in store. †† Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. c Cents per 24-lb bushel. § Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. d Cents per 56-lb bushel, ex-warehouse, 1,000-bushel lots.

Scandinavian softwood

FIGURES FROM the two main Scandinavian softwood exporting countries show that in the nine months ended September, 1975, the export sales of Swedish producers for shipment this year totalled 4,270,000 cu. m. compared with 7,410,000 cu. m. in the same period last year, a fall of 42 per cent. In the same period Finnish sawmills' export sales amounted to 1,800,000 cu.m. (4,285,000), a drop of 58 per cent.

To alleviate some of the pressure on the Swedish producers, the Government there has announced a scheme to pay a subsidy of 20 per cent based on the value of the end-year stock.

Equity markets good on a revival of buying interests

Share index up 5.7 at 351.4—Gilts recover further

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Oct. 6	Oct. 16	Oct. 17	Oct. 28
Oct. 20	Oct. 30	Oct. 31	Nov. 11
Nov. 3	Nov. 13	Nov. 14	Nov. 25

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Equity markets put on a good performance yesterday. In contrast to Wednesday, when buyers failed to sustain an early mark up, leading industrials encountered some sizeable demand and, with stock in short supply, prices were quick to respond. Although a shade below the best, closing gains ranged to 6 and occasionally more. The FT 30-share index closed 5.7 up at 351.4, compared with its June 5 peak for the year of 365.3.

British Funds continued their recovery movement, extending Wednesday's gains of around ½ by a further ½ and occasionally more. The Government Securities index rose 0.23 to 57.84, for a rise of 0.89 over the last three trading days.

Second-line equities also enjoyed a fair measure of support but, as in the leaders, closing gains were often accentuated by stock shortage. The fairly broad nature of the day's improvement was mirrored in the 4—1 majority of rises over falls in FT-quoted Industrials and a rise of 1.6 per cent. to 150.31 in the FT-Actuaries All-Share index. Dealers reported a higher level of activity than of late, but official markings showed a further contraction to 5,308 compared with 5,799 on Wednesday.

Gilt rally continues

Gilt-edged disregarded an assortment of rumours concerning a rise to-day in Minimum Lending Rate, an increase in clearing bank special deposits and a pending cut in the short "tap" price, to further the recent recovery movement. The shorts traded more briskly than the mediums or longs, but turnover was still far below recent levels. Improvements in this sector were generally limited to ½, apart from Electric 3 per cent., 1974-77, which rose ½ to 93½, while gains at the longer end extended to ¾. The new Bristol 13¾ per cent., 1981, stock, 81 per cent. of which was left with the underwriters, should make its debut to-day.

The Investment currency market became quiet again in the absence of any further institutional interest, but the premium edged firmer late to close ½ higher at 100½ per cent. Yesterday's SE conversion factor was 0.6260 (0.6292).

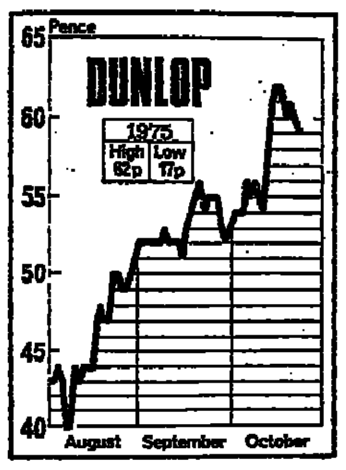
Banks quiet

The big four Banks passed a rather quiet session drifting back from initial firmness to close mixed. **National Westminster**, 243p, and **Midland**, 283p, both gained 3, but Lloyds were that much cheaper at 230p, after 237p. Barclays closed unaltered at 290p, after 295p. Merchant Banks performed similarly, with **Kleinwort Benson** 4 better at 120p. The appointment of Mr. Roy Fenton (ex Bank of England) as director and chief executive failed to excite **Keyser Ullmann**, which held at 46p.

Insurances recorded improvements that ranged to 7 as in **Sun Alliance**, 427p "**Royals**," 308p, and **Legal and General**, 109p.

Leading Breweries came in for some good support and closed at, or near, the day's highest. Improvements of a couple of pence were seen the **Allied**, 71p, **Bass Charrington**, 100p, **Arthur Guinness**, 127p, **Scottish and Newcastle**, 60p, and **Whitbread "A,"** 70p. Elsewhere, **Amalgamated Distilled Products** firmed 4 to 49p on further consideration of the proposed "rights" issue. **Distillers** closed 2½ better at 119p.

Following Wednesday's firmness when prices responded well to the encouraging remarks made about mortgage availability by the chairman of the Building Societies Association, Buildings performed firmly again yesterday. **Associated Cement** put on 6 to 188p, while similar improvements were recorded in **Richard Costain**, 224p, **John Laing "A,"** 137p, and **Parker Timber**, 68p. Still pleased with the agreed merger terms, buyers remained active in **Magnet Joinery**, 7 up at 190p, and **Southerns-Evans**, 5 dearer at 137p. **Marchwiel** (interim due Nov. 20) put on 5 to 109p. **London Brick**, 60p, were little changed following the interim dividend announcement, but **UBM** closed a shade better at 64p, after 63p, despite the sharp contraction in half year earnings. The lower preliminary profits and proposed "rights" issue terms at par depressed **David Charles** which closed 2 easier at 33p.



ICI typified the general firm trend, adding 5 to 293p, after 297p, in Chemicals where **Fisons** gained 8 to 381p.

ATV 'A' put on 4 to 59p in Televisions.

Electrical leaders closed below the day's best after a fairly active trade. Against the trend, **Plessey** reacted to 69p on the somewhat disappointing second - quarter profits, but subsequently recovered to 72p before finishing a penny down on the day at 71p. Helped by further X-ray scanner orders, **EMI** improved to a peak for the year of 230p, but later eased to show a net gain of only 2 at 227p. Elsewhere, **Fidelity Radio** hardened 2 to 54p, the half-year reduced profits being outweighed by the company's expectations of a better second-half performance. **Ever Ready**, 105p, also added 2 awaiting to-day's half-time results. **BSR** rose afresh to 86p on a chart "buy" signal, before ending a net 2½ up at 84p.

Store leaders closed virtually at the day's best. After reacting 4 on Wednesday in reflection of Press comment on the first-half results, **Marks and Spencer** recouped 3 at 102p. **British Home Stores** rose 9 to 334p, while improvements of 3 occurred in **Gussies "A"**, 189p, and **UDS**, 87p. Mail orders also found favour, **Freemans (London)** rising 7 to 152p and **Grattan Warehouses** 5 to 91p, while **MFI Warehouses** put on 2 to 19p. Elsewhere, **Lincroft Kilgour** improved 4 to 32p, while **J. Hepworth "B"**, in front of to-day's preliminary results, hardened 1½ to 37½p. **Mothercare** closed unaltered at 160p, after 158p, following half-time results close to expectations, while **House of Lerose**, also on interim figures, ended a penny firmer at 37p.

Hawker bettered other leading Engineerings, gaining 8 to 316p, while **GKN** could manage only a rise of 4 to 223p. **Tube Investments** improved initially to 278p, but later drifted back to close unaltered on the day at 274p. Features otherwise were plentiful, with **APV** rising 15 to 215p, **Herbert Morris** advancing 7 to 51p and **Staveley** gaining 6 to 118p. Trading announcements lifted **R. Goodwin** 2 to 10p and **West Bromwich Spring** 1½ to 17p, **McKechnie** rose 4 to 59p, being cheered by current year prospects; lower preliminary figures had been anticipated. **Weir** were finally little changed at 65p, after 63p, on the "rights" issue news, but reduced first-half profits lowered **Hopkinsons** 3½ to 46½p. Poor results took **Spencer Gears** down 1 to 9½p and **Howard Machinery** fell 7 to 49p after the directors' statement that they were not aware of any proposed offer. **Hall-Thermotank** picked up 4 to 80p and **Lake and Elliot** were similarly dearer at 56p.

Comforted still by first-half results well above market expectations, **Spillers** improved ½ more to 47½p, in firm Foods. **J. Bibby** came to the fore, after lagging behind recently, and closed 8 up at 64p, while **Linfood** gained 6 to 216p and **Rowntree Mackintosh** 5 to 167p. **Northern Foods** also advanced 5 to 63p along with **W. and R. Jacobs** which went ahead to 65p on the doubled interim profits. **NFU Trust's** rejection of the bid call for **FMC**, the latest move in a complex situation, failed to dampen enthusiasm for the latter which rose 4 further to 65p.

Gomme Hldgs. advance

A modest demand for the miscellaneous Industrial leaders left gains to 8, as in **Unilever**, 398p. **Turner and Newall** added 6 at 134p, while gains of 5 were recorded in **Boots**, 128p, and **Beecham**, 315p. **Reed International** closed 4 firmer at 228p, after 223p, awaiting to-day's interim results. Elsewhere, **Gomme Holdings** staged an advance of 7 to 71p in response to the preliminary statement. **Walker and Homer** improved 3½ to 20p on the profits expansion, while the half-year results left **Steel Bros.** 4 better at 259p. **Marshall's Universal** ended 2 firmer at 140p for a two-day gain of 8 on the encouraging half-year report, but **Lyon and Lyon**, on the half-time profits setback, receded 2 to 20½p.

Dunlop, which were 2 easier on Wednesday, eased 1 more to 50p yesterday on some disappointment with the interim results. Elsewhere in Motors, **Lotus Car** continued firmly at 28p, up a penny, while **Lucas Industries** rose 3 to 135p for a two-day gain of 5. **Automotive Products** responded to Press comment with a gain of 1 at 37½p.

Thomson drew revived speculative interest and rose 5 more to 184p in otherwise only marginally improved Newspapers. Publishers had a good feature in **Morgan-Grampian** which, after falling 4 on Wednesday, rebounded to close 6 higher at 34p. Elsewhere, **Hindson Print** were encouraged by the chairman's recent view on prospects and rose 5 to 45p.

CC

Following Wednesday's fall of 2½ on a fresh attack of selling on liquidity fears, **GRA Property Trust** picked up 10p yesterday on "bear closing" prior to the quotation being suspended at 3.30 p.m. at the company's request pending publication of full particulars of the company's position. **J. Coral**, in which GRA Property has a sizeable interest, reacted 5 to 80p; news that the Government is setting up a Royal Commission on gambling was announced after market hours. The Property leaders, which weakened late on Wednesday on rumours of other companies suffering financial difficulties, recovered on "bear closing" before softening "after-hours" in sympathy with the GRA suspension. **Land Securities**, after improving to 170p, closed a net 3 up at 168p, while **MEPC** were finally only a penny better at 64p, after 66p. Elsewhere, **Hammerson "A,"** 337p, and **United Real Property**, 205p, both gained 7.

Oils continued to forge ahead and **Shell** traded brisky up to fresh high for the year of 372p, before a close of 8 higher on balance at 368p. **British Petroleum**, despite Wall Street influences, were not left behind, gaining 5 to 595p, while **Ultramar** revived with a rise to 202p prior to ending a net 6 dearer at 198p. Renewed inquiries for the more speculative-orientated issues left **Tricentrol** 4 better at 44p and **Anglo-Ecuadorian** 2 harder at the same price.

Among Overseas Traders, **Harrisons and Crosfield** managed to rally 13 to 825p following the previous day's fall of 100 on the proposed £10.2m. "rights" offer and first-half profits setback. Still helped by the major Somalia contract, **Booker McConnell** improved 4 more to 168p, while **S. and W. Berisford**, a good market of late on the generous "rights" offer and dividend forecast, hardened 2 more to 209p. **Inchcape** improved 8 to 333p, while **Anglo-Thai** gained 3 at 148p in sympathy. **Sime Darby** continued to meet support and closed 4 higher at 85p.

Dealers expressed disappointment with the interim profits and marked **Hunting Gibson** down 12 to 143p. Elsewhere in Shippings, **Furness Withy** shaded 2 to 230p, after 227p, on adverse Press comment. **Ocean Transport**, on the other hand, rose 2 to 123½p.

Trusts and Financials contributed to the general firm trend. **S. Pearson** revived with an improvement of 5 to 145p and **Finance and Industrial** gained 4 to 24p.

Textiles and Tobaccos closed quietly firm after a moderate business. **Courtaulds** ended a penny better at 139p, after 141p, while **Nottingham Manufacturing** were 2 dearer at 49p as were **Textured Jersey**, 14p. Up 20 on Wednesday following the upsurge in first quarter profits, **John Haggas** held steady at 240p. **Bats** found support and finished 7 higher at 317p.

A firm market since last Friday's disclosure that **James Finlay** (unaltered at 140p) and **McLeod Russel** (unaltered at 115p) are holding discussions which may lead to a reorganisation of their substantial shareholdings, **Cessnock** encountered profit-taking, closing 10 lower at 190p, while **Teith** shaded 5 to 295p as did **West Nile** at 275p both making two-day declines of 20. **Consolidated Tea and Lands** 300p, however, recovered half of Wednesday's 20 loss.

Golds disappoint

Following the higher morning fixing price of bullion, Gold shares were marked up in anticipation of a Continental demand. In the event, the Continent became a seller and prices reacted accordingly. Selective U.S. interest in the afternoon steadied the market and prices ended the day marginally lower. The Gold Mines index eased 0.1 to 271.6 and bullion was finally $144 per ounce, down 75 cents.

Falls ranged to ½ in **Buffels** (£15½), **Randfontein** (£19¾), **West Driefontein** (£40¾) and **Free State Geduld** (£23). On the other hand, **St. Helena** and **Western Holdings** both gained ½ to £24 and £27¾ respectively. In the lower-priced issues falls of 10 were seen in **Harmony** (575p) and **Welkom** (360p).

Financials were mixed. **Gold Fields** lost 4 to 207 and **Charter Consolidated** gave up 3 at 166p. Cape selling was reported in Anglo American Corporation which fell 4 to 366p. ... saw a good ... closed 2 higher at ... Vereeniging rose a further ... £22½. In Platinums, ... recovered an earlier ... hardened to 163p.

In Coppers, Minorco ... demand and gained ... gave up 10 to 210p ... Rhodesians were lower ... Falcon Mines losing 15 to ... low of 165p ... tion of the reduced ... dividend forecast. MTD ... hardened to 77p; ... and dividend were ... after hours.

Australian Uraniums ... in demand, in ... in markets Down-Under ... continental gained 20 ... peak of 645p and Ocean ... rose 2 to 29p, but ... gave up 5 at 395p. In ... Mining lost 25 to ... taking following the ... rise. Consideration ... tember quarterly ... figures left Bougainville ... at 88p.

In Tins Gopeng Cons... retreated 10 to 195p ... reduced second interim ... Elsewhere, Canadian ... reported in Sabina ... to 85p after 88p.

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thursday, October 23, 1975: Index No.	Day's Change %	Est. Earnings Yield % (Max) Corp. Tax 52%	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Wed. Oct. 22 Index No.	Tues. Oct. 21 Index No.	Monday Oct. 20 Index No.	Friday Oct. 17 Index No.	Year ago (approx.) Index No.	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (179)	128.20	+1.5	17.86	6.42	8.38	8.38	126.32	125.30	124.04	125.57	69.75	131.26 (6/6)	51.78 (6/1)	206.37 (4/5/72)	50.71 (13/12/74)
2	Building Materials (30)	126.30	+2.2	13.78	6.48	11.08	11.08	123.58	121.83	120.66	122.75	64.06	126.30 (23/10)	45.11 (6/1)	233.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	233.84	+1.7	16.22	3.98	9.27	9.27	229.92	226.21	226.02	228.15	99.13	251.61 (25/4)	74.74 (6/1)	388.33 ([illegible])	71.48 (12/12/74)
4	Electricals (17)	222.95	+1.2	18.33	5.21	7.99	7.99	220.38	220.17	216.89	217.78	129.20	234.64 (6/6)	98.49 (2/1)	350.04 (4/5/72)	84.71 (25/6/66)
5	Engineering (Heavy) (13)	152.50	+1.0	21.40	7.78	7.12	7.12	150.92	149.48	147.81	149.75	84.97	159.79 (22/4)	64.39 (2/1)	202.57 ([illegible])	64.39 (2/1/75)
6	Engineering (General) (63)	109.85	+1.3	19.87	7.57	7.53	7.53	108.45	107.61	106.56	108.53	62.15	117.40 (6/6)	45.43 (6/1)	168.59 (4/5/72)	45.43 (6/1/75)
7	Machine and Other Tools (9)	43.26	+0.2	19.06	9.71	9.48	9.48	43.18	42.86	42.78	42.88	27.77	48.98 (20/5)	20.11 (2/1)	136.70 (4/7/66)	19.96 (13/12/74)
8	Miscellaneous (24)	107.96	+1.4	19.90	7.30	7.49	7.49	106.50	106.17	106.69	106.15	64.52	121.76 (6/6)	49.65 (6/1)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (56)	103.95	+1.4	16.76	5.94	8.76	8.76	102.54	102.64	100.33	101.41	52.68	103.95 (23/10)	38.39 (6/1)	227.78 (21/4/72)	38.39 (5/1/75)
10	Electronics, Radio TV etc. (15)	121.04	+1.6	15.29	4.42	9.76	9.76	119.20	120.37	116.93	117.54	56.65	125.06 (25/9)	44.28 (6/1)	257.41 (19/6/72)	42.85 (12/12/74)
11	Household Goods (14)	154.00	+0.6	16.09	6.79	9.11	9.09	153.07	152.18	152.01	153.49	83.32	154.00 (23/10)	64.53 (6/1)	263.22 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (27)	56.15	+1.4	19.74	8.29	7.31	7.31	55.36	54.53	53.52	54.67	30.86	56.15 (23/10)	19.91 (6/1)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (168)	142.13	+2.0	14.21	6.00	10.20	10.13	139.40	137.89	136.73	138.64	76.22	146.45 (6/6)	61.98 (6/1)	226.08 (16/5/72)	61.41 (13/12/74)
14	Breweries (15)	165.31	+3.3	12.09	6.19	12.51	12.51	159.95	155.99	155.17	158.03	91.88	167.96 (22/9)	75.58 (6/1)	261.87 (22/11/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	147.42	+2.3	13.20	6.84	11.43	11.43	144.14	141.86	140.08	142.51	109.69	177.94 (9/7)	80.42 (6/1)	257.40 (13/7/72)	78.88 (13/12/74)
16	Entertainment, Catering (16)	167.48	+2.5	12.73	7.12	12.28	11.58	163.42	159.78	158.15	159.60	74.67	167.48 (23/10)	55.28 (6/1)	329.99 (12/12/72)	54.83 (9/1/75)
17	Food Manufacturing (22)	153.69	+1.5	13.78	5.24	10.00	9.96	151.47	149.62	148.07	149.59	68.75	156.57 (6/6)	62.03 (2/1)	211.65 (1/5/72)	59.77 (11/12/74)
18	Food Retailing (16)	147.15	+1.5	10.52	4.49	13.80	13.80	145.27	142.38	142.31	143.58	66.77	149.17 (4/6)	57.15 (2/1)	235.08 (15/8/72)	54.25 (11/12/74)
19	Newspapers, Publishing (15)	138.29	+1.5	15.73	7.15	9.71	9.71	136.30	134.55	135.33	137.48	78.89	152.14 (6/6)	55.08 (6/1)	260.29 (18/1/73)	55.08 (6/1/75)
20	Packaging and Paper (13)	94.20	+2.2	23.52	7.83	6.30	6.31	92.14	91.09	91.46	93.56	57.93	107.12 (20/5)	43.46 (6/1)	135.69 (26/4/72)	43.46 (6/1/75)
21	Stores (32)	120.74	+1.9	12.12	5.44	12.64	12.64	118.47	118.63	118.48	120.11	67.29	132.94 (20/5)	52.63 (6/1)	204.39 (18/8/72)	52.63 (6/1/75)
22	Textiles (23)	151.22	+1.4	22.08	7.08	5.44	5.30	149.07	147.62	144.19	146.02	81.50	151.22 (23/10)	62.91 (6/1)	253.72 (17/9/68)	62.66 (11/12/74)
23	Tobacco (3)	199.89	+1.8	16.95	6.74	8.97	8.97	196.45	194.80	190.57	194.38	117.27	199.89 (23/10)	109.92 (6/1)	339.16 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	60.97	+3.2	23.20	6.45	5.99	5.99	59.06	58.52	57.41	57.99	29.22	61.12 (13/10)	20.92 (6/1)	135.72 (15/1/70)	20.92 (6/1/75)
	OTHER GROUPS (93)															
25	Chemicals (24)	179.40	+2.0	15.50	5.34	9.01	9.00	175.86	176.40	172.23	174.82	94.70	189.17 (6/6)	73.14 (6/1)	201.92 (31/1/69)	71.20 (1/12/74)
26	Office Equipment (10)	84.76	+2.7	15.73	6.15	8.91	8.91	82.55	81.65	82.62	82.62	56.79	104.78 (17/4)	45.34 (2/1)	246.08 (1/8/72)	45.34 (2/1/75)
27	Shipping (12)	373.94	+0.8	21.81	6.46	5.88	6.66	370.82	368.04	367.28	371.69	251.50	401.84 (10/5)	194.38 (6/1)	517.00 (5/12/72)	90.80 (29/6/62)
28	Miscellaneous (47)	148.06	+1.7	17.70	6.88	8.30	8.29	145.62	143.75	143.62	145.83	81.70	153.68 (6/6)	60.39 (6/1)	268.83 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	139.64	+1.8	15.82	6.08	9.17	9.13	137.17	136.00	134.68	136.48	75.88	143.43 (6/6)	69.19 (6/1)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	330.40	+1.5	15.23	4.87	7.33	6.66	325.50	325.08	321.56	325.55	147.89	330.40 (23/10)	105.83 (2/1)	451.66 (29/5/69)	87.23 (23/5/62)
31	500 SHARE INDEX	155.40	+1.8	15.72	5.89	8.81	8.58	152.72	151.60	150.10	152.08	82.01	156.14 (6/6)	63.49 (6/1)	227.95 (16/8/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	133.77	+0.9	—	6.38	—	—	132.64	131.08	130.36	133.50	69.98	148.45 (20/5)	56.50 (6/1)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	160.37	+0.4	18.34	6.00	8.35	8.35	159.72	158.28	163.25	159.98	80.87	177.11 (6/6)	62.66 (2/1)	288.32 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (9)	152.18	—0.1	—	8.10	—	—	152.38	152.38	155.05	157.55	103.89	169.27 (7/5)	84.13 (6/1)	293.13 (2/7/72)	81.40 (10/12/74)
35	Hire Purchase (5)	96.25	+1.7	18.67	8.76	7.67	7.05	94.61	94.61	94.43	95.16	62.74	134.39 (10/3)	42.31 (6/1)	433.72 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (9)	116.65	+1.5	—	5.87	—	—	114.85	115.61	113.20	116.66	59.85	127.97 (25/4)	44.88 (2/1)	194.46 (16/3/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	109.69	+1.5	—	6.24	—	—	108.10	106.77	107.39	109.71	51.36	125.90 (20/5)	44.47 (2/1)	185.76 (21/4/72)	43.96 (13/12/74)
38	Insurance (Brokers) (9)	216.96	+1.4	9.72	5.96	15.44	15.44	213.94	213.28	214.10	214.75	86.31	216.96 (23/10)	68.96 (7/1)	262.57 (12/12/72)	65.26 (16/12/74)
39	Merchant Banks (19)	87.78	+0.5	—	5.74	—	—	87.24	86.74	86.33	87.42	45.79	94.97 (7/3)	31.21 (7/1)	378.87 (1/5/72)	31.21 (7/1/75)
40	Property (32)	160.08	+0.5	3.89	3.65	40.81	38.92	159.26	156.36	159.01	159.36	103.72	241.22 (22/4)	88.19 (7/1)	357.40 (9/11/73)	56.01 (20/4/65)
41	Miscellaneous (4)	72.09	+1.3	13.40	8.84	11.22	11.06	71.14	69.05	69.61	69.81	42.13	76.78 (23/4)	34.78 (10/1)	303.13 (18/5/72)	33.29 (17/12/74)
42	Investment Trusts (50)	164.04	+1.2	3.02	4.35	33.12	33.09	162.03	160.55	160.63	162.64	87.12	178.53 (6/6)	73.43 (6/1)	245.79 (25/4/72)	71.63 (13/12/74)
43	ALL-SHARE INDEX (650)	150.31	+1.6	—	5.70	—	—	147.99	146.79	145.56	147.76	79.22	154.09 (6/6)	62.16 (6/1)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	372.46	—	15.27	8.21	9.48	9.41	372.46	373.99	359.60	360.43	315.31	3525.4 (25/6)	281.66 (2/1)	855.37 (23/7/73)	84.68 (25/6/65)
45	Teas (10)	111.11	—0.4	36.89	9.39	3.90	3.77	111.53	112.76	109.86	107.55	60.61	112.76 (21/10)	76.76 (10/1)	121.47 (1/5/72)	59.72 (17/10/74)
46	Coppers (3)	273.28	—1.4	71.86	17.93	1.39	1.39	277.11	279.61	276.44	283.44	339.43	467.74 (27/5)	256.42 (24/3)	567.78 (15/7/73)	94.08 (29/4/62)
47	Mining Finance (11)	110.42	—0.1	11.16	4.81	9.84	9.84	110.53	110.40	109.76	109.56	74.70	141.34 (30/5)	80.58 (22/1)	175.90 (28/4/69)	66.51 (30/9/74)
48	Tins (6)	85.42	—0.2	12.94	10.48	10.10	9.04	85.53	85.55	86.00	86.22	59.77	114.49 (5/6)	58.91 (8/1)	125.43 (12/1/73)	54.83 (27/6/71)
49	Overseas Traders (13)	209.45	+0.1	16.63	4.71	7.69	7.68	209.25	209.64	206.88	206.70	—	252.23 (20/5)	97.37 (6/1)	252.23 (20/5/75)	97.37 (6/1/75)

	FIXED INTEREST	Thurs., Oct. 23 Index No.	Yield %	Wed. Oct. 22	Tues. Oct. 21	Monday Oct. 20	Friday Oct. 17	Thurs. Oct. 16	Wed. Oct. 15	Tues. Oct. 14	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	Consols. 2½% yield	—	14.92	15.03	15.25	15.36	14.99	14.77	14.76	14.25	16.26	—	—	—	—
2	20-yr. Govt. Stocks (6)	46.56	‡15.93	46.33	45.98	45.66	46.69	47.73	47.63	47.65	43.55	53.09 (20/3)	38.27 (5/1)	116.42 (11/8/63)	38.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	46.60	‡16.12	45.57	45.99	46.30	46.52	46.96	46.90	46.85	40.81	50.68 (21/3)	37.01 (5/1)	113.43 (23/10/63)	37.01 (5/1/75)
4	Investment Trust Prefs. (15)	47.04	14.80	45.44	45.36	45.37	45.05	45.46	45.46	45.53	37.28	47.30 (29/7)	35.38 (3/1)	114.41 (13/9/65)	34.45 (4/12/74)
5	Coml. and Indl. Prefs. (20)	63.41	14.79	62.67	62.15	61.92	61.88	62.15	62.36	62.69	61.43	68.02 (6/3)	48.35 (3/1)	114.95 (7/10/65)	47.67 (6/1/75)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Food Manufacturing	29/12/67	114.13
Engineering (Heavy)	31/12/71	153.84	Food Retailing	29/12/67	114.13
Engineering (General)	31/12/71	153.84	Insurance Brokers	29/12/67	96.67
Wines and Spirits	10/1/70	144.76	Mining Finance	29/12/67	100.00
Toys and Games	16/1/70	135.72	All Others	10/4/62	100.00
Office Equipment	16/1/70	128.20			
Industrial Group	31/12/70	128.20			
Miscellaneous Financial	31/12/70	128.06			

† Redemption yield. IBM 370 computer. A list of the constituents of the FT-Actuaries Share indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 18p. The FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer. CONSTITUENT CHANGE: Kalra Williamson (Household Goods) has been replaced by Spirella Group (Textiles).

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
ICI	£1	18	293	+ 5	382	10
Grand Met. 'New'	Nil/pd.	15	13*	+ 1½	14½*	10*
Shell Transport	25p	14	368	+ 8	372	158
BP	£1	13	595	+ 5	598	190
B'ck & W'cx 'New'	Nil/pd.	10	42*	+ 5	46*	37*
Beecham	25p	10	315	+ 5	328	116
Commercial Union	25p	10	152	+ 2	194	72
IC Gas 'New'	Nil/pd.	10	94*	+ 4	96*	70*
Royal Ins. 'New'	Fly/pd.	10	306	+ 6	306	280
GEC	25p	9	127	+ 1	133	51
Hawker Siddeley	£1	9	316	+ 8	338	135
Imperial Group	25p	9	73½	+ 1½	77	32
Natl. Westminster	£1	9	243	+ 3	275	88
Nthn. Foods 'New'	Nil/pd.	8	36½*	+ 1½	39*	34*
Barclays Bank	£1	8	290	—	325	112

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

* Premium.

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Oct. 14	Oct. 27	Jan. 8	Jan. 20
Oct. 28	Nov. 10	Jan. 22	Feb. 3
Nov. 11	Nov. 24	Feb. 5	Feb. 17

"Calls" were arranged in Dunlop, Burmah Oil, GRA Property Trust, National Westminster Warrants, Charterhall, Francis Parker and Newman Industries. Slater Walker and Brit. Leyland were dealt in for the "put," while double options were transacted in Reyrolle Parsons, Slater Walker, Grand Metropolitan, GRA Property Trust, Brit. Leyland and Royal Worcester.

Industrials		Grand Met.	8	Slater Walker	9	Mines			
A.P. Cement	15	G.U.S. 'A'	17	Spillers	8	Anglo Amer.	50		
Assoc. Leisure	5	G.K.N.	20	Tesco	5	Bouv'ille Fin.	75		
Barclays Bank	25	Hawker Sid.	30	Thorn	27	Charter Cons.	12		
Beecham	25	House of Fraser	8	Tube Invest.	25	Charl'h'll Fin.	10		
Boots Drug	12	Hudson(Wims)	4	Unilever	40	Cons. Gold	20		
Bowaters	18	I.C.I.	27	Utd. Drapery	7	De Beers Def.	18		
B.A.T.	30	"Imps"	7	Vickers	18	Hampton Areas	11		
British Leyland	5	I.C.L.	27	Woolworths	7	Great Boulder	4		
BOC Int'l	8	Ind'l Gas	3			Hampton Prop.	4		
Burton 'A'	10	Legal & General	13	Property		Kloof	140		
Cadburys	5	Lloyds Bank	22	Cap. Counties	4½	Lonrho	13		
Courtaulds	12	"Lofs"	6	Int. Europe	6	Loraine	65		
Debenhams	8	"Mams"	6	Land Securities	18	Metals Explor.	8		
Distillers	13	Marks & Sp'ncer	11	Peachey	5	Poseidon	65		
Dunlop	5½	Midland Bank	25	Town & City	4½	Pres. Steyn	275		
Eagle Star	15	Nat'l West Bank	22	Town & Comm.	4	Rio T. Zinc	20		
E.M.I.	17	P & O Dfd.	10			Welkom	56		
First National	2	Plessey	8	Oils		West Areas	75		
G.R.A. Trust	4	R.H.M.	6	Brit. Petroleum	45	Western M'ng	18		
Gen. Accident	16	Rank Org. 'A'	17	Burmah Oil	5	Zambian Copp.	10		
Gen. Electric	13	Reed Int'l	23	Shell	30				
Glaxo	40			Ultramar	21				

NEW HIGHS AND LOWS FOR 1975

The following securities (numbers in parentheses) quoted in the Share Information Service yesterday attained new highs and lows for 1975.

NEW HIGHS (82)

BRITISH FUNDS (1) — Treas. 3pc 1977
AMERICANS (4)
BANKS (2)
BUILDINGS (6)
CHEMICALS (1)
CINEMAS (1) — Scottish TV 'A'
STORES (1)
ELECTRICALS (10)
ENGINEERING (11)
FOODS (4)
INDUSTRIALS (24)
INSURANCE (3)
MOTORS (2)
NEWSPAPERS (1)
PAPERS (2)
TEXTILES (3)
TRUSTS (2)
OILS (1) — Shell Transport
B.E.T. Dfd. — Fin. & Ind. Tst.

NEW LOWS (6)

CANADIANS (1) — Seagram Co.
BUILDINGS (1) — Rohan
TEAS (2) — Central Prov. — Tea Cpn.
MINES (2) — Falcon. — Sungei Way

FINANCIAL TIMES STOCK INDICES

	Oct. 23	Oct. 22	Oct. 21	Oct. 20	Oct. 17	Oct. 16
Government Secs	57.84	57.61	57.27	56.95	57.89	58.68
Fixed Interest	58.63	58.54	58.40	58.56	59.10	59.50
Industrial Ordinary	351.4	345.7	344.8	336.7	342.4	348.4
Gold Mines	271.6	271.7	276.3	262.9	270.4	264.4
Ord. Div. Yld.	6.02	6.12	6.11	6.24	6.14	6.03
Earnings Yld. % (full)	16.56	16.76	16.80	17.17	16.88	16.59
P/E Ratio (net) (a)	8.59	8.46	8.44	8.26	8.40	8.55
Dealings marked	5,308	5,799	5,559	6,085	7,767	5,862
Equity turnover £m	—	61.72	64.47	60.53	78.15	63.84
Equity bargains total	—	15,019	14,578	14,334	18,010	18,486

10 a.m. 346.4. 11 a.m. 348.9. Noon 350.1. 1 p.m. 350.8. 2 p.m. 350.2. 3 p.m. 351.5. Latest Index 01-246 8026.

(a) Based on 52 per cent. corporation tax. (b) Nil=8.51. Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Mines 12/9/55. S.E. Activity July-Dec. 1942. * Corrected.

HIGHS AND LOWS

	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.64 (20/5)	49.18 (3/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.51 (21/5)	50.53 (3/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	365.3 (5/6)	146.0 (6/1)	545.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/5)	231.6 (6/10)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

Daily: Gilt-Edged, Industrials, Speculative, Totals. 5-day Average: Gilt-Edged, Industrials, Speculative, Totals.

RISES AND FALLS YESTERDAY

British Funds, Corpns., Dom. and Foreign Bonds, Industrials, Financial and Prop., Oils, Plantation, Mines, Recent Issues, Totals

BASE LENDING RATES

A.B.N. Bank; Allied Irish Banks Ltd.; Anglo-Portuguese Bank; Henry Ansbacher; Banco de Bilbao; Banco de Jerez; Bank of Cyprus; Bank of N.S.W.; Banque du Rhone S.A.; Barclays Bank; Barnett, Christie Ltd.; Bremar Holdings Ltd.; Brit. Bank of Mid. East; Brown Shipley; Cayzer, Bowater Co. Ltd.; Cedar Holdings; Charterhouse Japhet; C. E. Coates; Consolidated Credits; Continental Trade Bank; Co-operative Bank; Copleys Bank; Corinthian Securities; Credit Lyonnais; G. R. Dawes; Duboff Brothers; Duncan Lawrie; English Transcont.; First London Secs.; Antony Gibbs; Goode Durrant Trust; Greyhound Guaranty; Grindlays Bank; Guinness Mahon; Hambros Bank; Hawtin & Partners; Hill Samuel; C. Hoare & Co.; Julian S. Hodge; Industrial Bank of Scot.; Jacobs, Kroll; Keyser Ullmann; Knowsley & Co. Ltd.; Lloyds Bank; London & European; London Mercantile; Midland Bank; Samuel Montagu; Morgan Grenfell; National Westminster; Northern Comm. Trust; Norwich General Trust; Portman Guaranty; P. S. Refson & Co.; Rossminster Accept'cs; Royal Trust of Canada; Schlesinger Limited; E. S. Schwab; Security Trust Co. Ltd.; Shenley Trust; Standard Chartered; Sterling Credit; Thames Guaranty; Trade Development Bank; Twentieth Century Bk.; United Bank of Kuwait; Wallace Brothers Bank; Whiteaway Laidlaw; Williams and Glyn's; Yorkshire Bank

Members of the Accepting Houses Committee.
* 7-day deposits 7%, 1-month deposits 7½%.
† 7-day deposits on sums of £10,000 and under 7% up to £25,000 7½% and over £25,000 8½%.
§ Demand deposit 8½%.

MONEY MARKET

Very large assistance

Bank of England Minimum Lending Rate 12 per cent. (since October 3, 1975)

Day-to-day credit was in short supply in the London money market yesterday and the authorities gave a very large amount of assistance by buying Treasury bills from the Discount houses. The main factors influencing the market suggested a better supply of funds than was the case, however.

The banks carried forward overfull balances, and maturing Treasury bills and a fall in the note circulation were also in the Market's favour. Set against these was a large excess of revenue payments to the Exchequer over Government disbursements.

Discount houses paid 10¾-11 per cent. for secured call loans in the early part and rates at the close were in the region of 9½-10½ per cent.

In the inter-bank market overnight loans commanded 11-11¼ per cent., at the start, and after easing to 10½-10¾ per cent., improved to 10¾-11 per cent., and then fell to 9 per cent. at the close.

Short-term fixed period interest rates, showed little movement, after the fairly sharp upward movement of the previous day. Longer-term periods were generally firmer, however.

Rates in the table below are nominal in some cases.

Oct. 23 1975	Sterling Certificates of deposits	Interbank	Local Authority deposit*	Local Auth. negotiable bonds	Finance House deposit	Company deposits	Discount market deposits	Treasury bills ‡	Bank bills ‡	Fine trade bills ‡
Overnight	—	9-11¼	—	—	—	11½-12½	10¼-11	—	—	—
2 days notice	—	—	11⅛-11½	—	—	—	—	—	—	—
7 days or 7 days notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rate nominally three years 12¼-13 per cent.; four years 12½-13 per cent.; five years 12¾-13¼ per cent. ‡ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 11-11⅛ per cent.; four-month trade bills 12 per cent. Approximate selling rates for one-month Treasury bills 11½-11⅜ per cent.; two-month 11⅝-11¾ per cent.; three-month 11⅞-12 per cent. Approximate selling rates for one-month bank bills 11-11⅛ per cent.; two-month 11¼ per cent.; three-month 11⅛-11⅜ per cent.; one-month trade bills 11½-12 per cent.

Finance House Base Rate (published by the Finance Houses Association) 11 per cent. from October 1. Clearing Bank Deposit Rates for small sums at seven days' notice 7 per cent. Clearing Bank Rates for lending 11 per cent. Treasury Bills: Average tender rates of discount 11.4125 per cent.

CORAL INDEX Close 348-353

I.G. INDEX GOLD 142¼-145¼

INSURANCE BASE RATES

† Atlantic Assurance; Cannon Assurance
† Address shown under Insurance and Property Bond table.

هكذا من الأصل

AUTHORISED UNIT TRUSTS

tish Life Office Ltd.♥ (a)

Life	39.0	40.7xd	+0.4	5.83
ed*	30.4	32.2xd	.....	6.32
*	30.0	31.8	.....	4.73
od*	27.5	29.1xd	.....	8.65

on Oct. 22. Next dealing Oct. 29

Gartmore Fund Managers♥

2, St. Mary Axe, EC3A 8BP. 01-283 3531

British Trust	32.2	34.6	+0.5	4.33
High Income Tst.	31.5	33.9	+0.2	11.58
(2)Overseas Tst.	23.7	25.3	+0.3	1.78

Gibbs (Antony) Unit Tst. Mgs. Ltd.

23, Blomfield St., EC2M 7NL. 01-588 4111

(a)A. Gibbs Inc.*	25.2	27.1	—	11.70
(a)A. Gibbs Gth.††	23.3	25.0	—	6.00

Dealing day *Tues. ††Wed.

REGIONAL MARKETS

wing the merger last year of U.K. stock exchanges, a selection of the share eriously shown under regional headings is presented below with quotations on. Irish issues, most of which are not officially listed in London, are parately and with prices as on the Irish exchange.

v. 20p	15	.....	Greig Ship. £1	415	.....	Shiloh Spinn.	25	.....
ing	37	.....	Hallam Sleigh 10p	6	.....	Sindall (Wm.)	90	.....
	18	.....	Higsons Brew.	90	.....			
st. 50p	130	.....	I.O.M. Stm. £1	120	.....	**IRISH**		
oft	35	.....	Holt (Jos.) 25p	255	.....			
ce £1	315	.....	Kleen-e-Ze	18	.....	Alliance Gas (£1)	65	.....
A.)	30	.....	Lovell's Ship £1	115	.....	Carroll (P. J.)	119	.....
Hdy	50	.....	N'thn. Goldsmith	90	.....	Clondalkin	45xd	.....
k.10p	33	.....	P.M.A.	31	.....	Concrete Prods.	73	.....
	8	.....	Pearce (C. H.)	40	.....	Goodbody (£1)	35	.....
	47	.....	Peel Mills	12	+1	Helton (Hldgs.)	29	.....
5p	16	.....	Richards 10p	12½	.....	Irish Distillers	67	.....
50p	190	+5	RobbCaledon5p	30	+6	Irish Wire	40	.....
Sons	11	.....	Sayers 12½p	8	.....	Jacob	65	.....
	55½	−½	Sheffield Brick	64	.....	Sunbeam	11½	.....
			Sheff. Refrshmt.	141	.....	Unidare	66	.....

OD PRICE MOVEMENTS

	Oct. 23	Week ago	Month ago
	£	£	£
nish A.1 per ton† ...	930	890	870
itish A.1 per ton† ...	930	890	870
sh Special per ton† ...	930	890	870
lish A.1 per ton† ...	—	—	—
ster A.1 per ton¶ ...	930	890	870
R (packet)			
per 20 lbs†	7.43- 7.49	7.43- 7.49	7.09- 7.15
glish per cwt†	45.39	45.39	45.39
nish salted per cwt†	45.30-46.45	46.51-46.54	45.30-45.58
E¶			
glish cheddar white			
indless per tonne ...	—	—	—
per tonne	780.5	780.5	780.5
me-prod. Standard ...	2.40- 2.60	2.40- 2.60	2.90- 3.20
Large	2.80- 2.90	2.65- 2.90	3.15- 3.45
	Oct. 16 per pound p p	Week ago per pound p p	Month ago per pound p p
tch killed sides ex KCF	30.0—33.0	30.0—33.5	31.0—34.5
e forequarters	25.0—24.0	24.0—26.0	24.0—25.0
gentine chilled rumps	—	—	—
glish	30.0—32.0	30.0—35.0	28.0—30.0
2s-Ds	29.0—31.5	29.0—31.5	29.0—31.5
(all weights)	26.0—38.0	25.0—38.0	25.0—38.0
N			
glish ewes	12.0—13.0	11.0—12.0	11.0—12.0
RY			
oiler chickens	22.0—27.0	22.5—27.0	24.0—26.0

ndon Egg Exchange price peer 120 eggs. † Delivered. elivery October 25 November 1.

INTERIM STATEMENTS

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

Warburg Invest. Mngt. Jrsy. Ltd.

8 Church St., St Helier, Jsy. CI. 0534 35511

CMF Ltd. Sept. 25	$US9.57	9.62	.....	—
CMT Ltd. Sept. 25	£9.36	9.60	.....	—
Metals Tst. Oct. 16	£9.38	9.61	.....	—
TMT Oct. 9	$US11.25	10.51	.....	—
TMT Ltd. Oct. 9	£10.40	10.67	.....	—

World Wide Growth Management♦

10a, Boulevard Royal, Luxembourg.

World Wide Gth. Fd¶	$US10.80	+0.05	—

NOTES

Prices do not include $ premium, where applicable, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ¶ Guernsey yield. ‡ Suspended. ☆ Single—premium insurance bonds.

FT SHARE INFORMATION SERVICE

††BANKS AND HIRE PURCHASE

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
22	12	AldermanSec. 10p	21	......	ϕ0.67	ϕ	4.9	ϕ
235	135	Alexanders D £1	213	......	g11.66	—	8.4	—
£114	£67	Algemene Fl.100	£91	+1	Qh20%	1.8	3.9	14.1
400	190	Allen Harvey £1	330	......	†13.5	—	6.3	—
142	45	Allied Irish	123	......	Q25%	—	5.1	—
77	14	Anglo Contnl	61	......	—	—	—	24.6
185	95	Arbuthnot L. £1	173	−2	7.61	—	7.0	—
430	170	Aust. & N.Z. £1	395	+8	†9.09	—	3.5	—
£57	£21¼	BankAmer $3.125	£34½	+⅝	Q$1.48	—	0.0	—
40	22½	Bk. Hapoalim I£1	35	......	Qs19.4%	—	2.0	—
346½	120	Bk. Ireland £1	330	......	Qh16%	—	4.8	—
£150	£66	Do. 10pc Cv. 91/96	£140	+1	Q10%	—	£7.2	—
23	16½	Bk. Leumi AI£1	22	......	Q16%	—	5.2	—
230	180	Bk. Leumi (UK) £1	220	......	7.25	—	5.1	—
720	370	Bk. N.S.W. $A2	605	......	Q28c	—	2.6	—
295	104	Bank Scotland £1	265	......	†8.31	3.5	4.8	9.0
£71¾	£20⅝	Bankers N.Y. $10	£23⅞	+⅝	Q$3.00	—	6.2	—
325	112	Barclays £1	290	......	†8.29	4.2	4.4	8.4
73	19	Bates (Edward)	45	......	—	—	—	—
71	18	Bowring (C.T.)	71xd	+2	†2.11	2.2	4.6	15.0
235	75	Brown Shipley £1	180	......	6.94	—	5.9	—
265	110	Cater Ryder £1	232	−3	14.40	—	9.6	—
—	—	Cedar Hldgs. 10p	13#	......	‡1.4	1.5	‡	—
57	48	Clive Dis'nt 20p	57	+1	3.0	—	8.1	—
265	149	Com'l Aus. ($A1)	235	......	Q14%	—	3.4	—
£14⅞	£10⅝	Com'zbk DM10a	£12⅛	......	Q17%	—	2.5	—
£24	£17½	C'hgn Hbk. Kr100	£23	......	Q11%	—	3.8	—
19	4	Corinthian 10p	7	......	—	—	—	—
£33	£10½	Cred. France F75	£33	......	Q9.7%	—	2.4	—
69	63	Dawes (G. R.)	66xd	......	5.25	2.9	12.2	4.4
25½	9	Dawnay Day	18	+1	0.5	—	4.4	—
70	25	F. C. Finance	27	......	1.57	—	9.0	—
11	1½	First Nat. 10p	3	......	‡1.05	—	‡	—
5	½	Do. Wrnts. 75-83	1¼	......	—	—	—	—
17½	5½	Fraser Ans. 10p	10	......	0.76	—	11.7	—
310	175	Gerrard Natnl.	265xd	......	g13.3	—	7.7	—
51	22	Gibbs (A.)	46	......	1.65	—	5.5	—
165	62	Gillett Bros. £1	160	......	†6.7	—	6.4	—
29	13	Goode D't Mry. 5p	19	......	0.79	1.3	6.4	17.0
78	33	Grindlays	39	−1	‡1.69	—	‡	—
171	55	Guinness Peat	160	+2	7.62	—	7.3	—
218	58	Hambros	196	−4	7.1	—	5.6	—
—	—	Hawtin 10p	3¼#	......	‡0.67	3.0	‡	1.6
106	23	Hill Samuel	105	−1	3.56	—	5.2	—
£11	200	Do. Warrants	£10½	......	—	—	—	—
252	118	Hong Shng. $2.50	252	......	¶20.8	—	2.4	—
85	40	Jessel T'nbee	75	......	4.0	—	8.3	—
240	78	Joseph (Leo) £1	225	......	6.42	—	4.4	—
85	32	Keyser Ullmann	48	......	1.1	—	3.5	—
65	30	King & Shax 20p	50	......	2.84	—	8.7	—
126	30	Kleinwort B.L.	120	+4	†3.19	—	4.1	—
265	94	Lloyds £1	230	−3	†6.93	6.0	4.6	5.5
33	18	Manson Fin. 20p	27	......	d3.25	1.3	18.5	6.4
141	39	Mercury Secs	131	......	2.76	—	3.2	—
305	122	Midland £1	283	+3	†10.76	2.2	5.8	12.1
£89	£46	Do. 7½% 83-93	£82	+2	Q7½%	15.0	†9.4	—
£81	£57½	Do. 10¼% 93-98	£71¼	......	Q10¼%	15.0	e9.2	—
49½	14½	Minster Assets	49½	+1	2.73	2.3	8.5	7.9
305	80	Nat. Bk. Aust. $A1	263	+3	†Q13½%	—	3.5	—
72	25	Nat. Com. Grp.	68	+1	2.01	5.5	4.5	6.2
275	88	Nat. West. £1	243	+3	†8.01	3.2	5.1	9.4
420	105	Schroders £1	405	+5	8.73	—	3.3	—
282	154	Seccombe M C £1	230	......	h12.73	—	8.9	—
108	27	Slater Walker	46	−1	‡5.61	—	19.8	—
58½	25½	Smith St. Aub.	55xd	......	†h3.63	—	10.2	—
510	210	Stand'd Chart £1	483	+3	13.29	4.0	4.2	7.7
56¾	5¼	Trade Dev. $1.50	56¾	......	Q44c	—	0.3	—
103	56	Tst. Bk. Afr. 50c	68xd	......	Q14%	ϕ	11.4	ϕ
330	157	Union Disc £1	315	......	†16.08	—	7.9	—
307	11	U.D.T.	17	+1	B—	—	—	—
£15¾	£10⅛	Wells Fargo $5	£11⅞	+¼	Q96c	—	1.9	—
68	42	Wintrust 20p	59	......	2.92	2.0	7.6	10.3

Hire Purchase, etc.

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
18	4	Brit. Debt Ser. 10p	10	......	‡d1.4	—	‡	—
35	10	Cattle's (Hdgs) 10p	23	......	0.84	3.3	5.6	8.3
£94	£54	Cie B'cre Fr.100	£88½	......	‡Q12%	—	1.5	—
80	26	Lloyds & Scot. 20p	67	+1	3.01	1.9	6.9	11.4
31	11	Lnd. Scot. Fin. 10p	18xd	......	1.7	ϕ	14.5	ϕ
98	33	Prov. Financial	78	......	3.97	2.9	7.8	5.1
28	12	Stlg Credit 10p	23	......	1.59	U1.6	10.7	8.1
46	10	Wagon Finance	28	......	1.5	1.7	8.2	10.8

BEERS, WINES AND SPIRITS

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
73	35½	Allied Brew.	71	+2	†3.0	2.0	6.5	11.7
49	14	Amal. Dist. Pr. 10p	49	+4	¶1.95	3.4	6.1	20.3
23½	9¾	Baird (Hugh) 5p	22	−1	†0.53	7.6	3.7	5.3
108	47	Bass Char'gton	100	+2	3.69	2.2	5.7	12.0
117	73	Bell Arthur 50p	116xd	......	†5.56	3.4	7.4	6.6
112	37	Boddingtons	112	+2	2.65	2.7	3.6	15.8
68	30	Brown (Matthew)	63	......	†2.63	2.4	6.4	9.9
33	17	Buckley's Brew.	32	......	0.91	4.1	4.4	8.5
84	22	Bulmer (H.P.)	75	−1	2.65	2.4	5.4	11.7

[illegible]

**BRITISH FUNDS

[illegible]

**INTERNATIONAL BANK

[illegible]

**CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS (Miscel.)

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

S.E. List Premium 59¼% (based on $2.0750 per £)

CANADIANS

[illegible]

S.E. List Premium 59¼% (based on $2.1255 per £)
Conversion factor 0.6860 (0.6316)

BUILDING INDUSTRY—Continued

[illegible]

BUILDING INDUSTRY, TIMBER & ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Continued

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING, MACHINE TOOLS

[illegible]

ENGINEERING—Cont.

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS & CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

هكذا من الأصل

INDUSTRIALS—Continued

INDUSTRIALS—Continued

INSURANCE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

Finance, Land, etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£14¼	360	Durban Deep R1	430	−5	‡Q110c	φ	‡
£14	520	E. Rand Prp. R1	670	......	‡Q115c	φ	‡
105	28	Rand Leases 2½c	30	......		—	—
£34½	£19¾	Randf'tn Est. R2	£19¾	−¼		—	—
500	155	West Rand R1	178	......	‡Q40c	1.3	‡

EASTERN RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
370	175	Bracken R1	224	−1	Q52c	φ	12.8
23	5	Daggafontein 50c	11	+1		—	—
105	37	East Dag R1	42	......	‡Q25c	φ	‡
—		Gvpl. Areas 5c	140s	......	—	—	—
380	120	Grootvlei 30c	160	......	‡Q32c	1.1	‡
820	410	Kinross R1	460	+20	Q54c	φ	6.5
190	70	Leslie 70c	81	−1	Q18c	φ	12.3
550	165	Marievale 70c	210	......	‡Q84c	1.1	‡
725	200	S. African Ld. 35c	290	......	‡Q85c	1.2	‡
265	82	Vlakfontein R1	128	......	Q35c	1.3	16.5
£13¾	720	Winkelhaak R1	840	......	Q108	φ	7.1
120	36	Wit. Nigel 25c	52	......		—	1.4

FAR WEST RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£11	620	Blyvoor 25c	690	+5	Q100c	1.3	8.0
£20½	£12¾	Buffels R1	£15¼	−¼	Q180c	1.4	6.5
430	235	Deelkraal R0.20	265	−5		—	—
£14¼	610	Doornfontein R1	840	−20	Q110c	1.4	7.2
£12¾	725	East Drie R1	950	......	Q65c	φ	3.8
450	200	Elsburg R1	225	......	Q45½c	—	11.2
£31	£15	Hartebeest R1	£19	+¼	Q215c	1.4	6.3
£13¾	730	Kloof Gold R1	890	......	Q55c	1.4	3.5
£17¼	650	Libanon R1	800	−5	Q110c	1.9	7.6
£13¾	600	Southvaal 50c	840	......	Q9c	0.9	0.6
480	210	Stilfontein 50c	245	......	‡Q65c	1.3	‡
£33¾	£17	Vaal Reefs 50c	£22¾	......	‡Q220c	1.7	‡
£11½	290	Venterspost R1	360	......	Q70c	1.9	10.7
£55	£33	W. Drie R1	£40¾	−¼	Q485c	1.2	6.6
745	275	W'st'rn Areas R1	335	+10	†Q70c	1.4	11.5
£25	£13	Western Deep R2	£16¾	+½	‡Q160c	1.4	‡
530	290	Zandpan R1	330	+5	Q35½c	1.0	6.0

O.F.S.

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
400	160	Fr. State Dev. 50c	190	+5	Q14c	1.6	4.1
£32¾	£19	F.S. Geduld 50c	£23	−¼	330c	φ	7.9
265	115	F.S. Saaiplaas R1	160	......	26c	—	2.1
960	550	Harmony 50c	575	−10	Q77c	1.8	7.4
575	170	Loraine R1	220	−5	Q6c	φ	1.5
£28¾	£17¼	Pres. Brand 50c	£19½	+¼	Q250c	φ	7.1
£25¾	£11¼	Pres. Steyn 50c	£12½	−½	Q125c	φ	5.6
£39¾	£19¾	St. Helena R1	£25	+¼	Q250c	φ	5.8
340	170	Unisel	210	......	—	—	—
525	245	Welkom 50c	360	−10	Q55c	φ	8.4
£40	£23	W. Holdings 50c	£27¾	+¼	Q475c	φ	9.8

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

MISCELLANEOUS

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
8½	3	Burma Mine 17½p	8	......	m0.5	—	1.7
65	17	Charterhall 5p	46	+4	—		
115	40	Colby Mines $1	62	......	—	—	—
760	360	Cons. Murch. 10c	670	+20	‡Q130c	2.2	‡
53½	29½	Laurasia	34	......	—	—	—
375	200	Northgate C$1	252	+2	Q65c	1.0	12.4
211	80	R.T.Z.	174	......	g5.51	4.4	4.9
135	47½	Sabina Inds. C$1	85	+2	—	—	—
81	47	Stanford Mines 8	61	+2	—	—	—
£12½	875	Tara Expln. $1	£10¼	......	—		—
78	38	Yukon Cons C$1	55	......	-	-	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ■ "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- φ Figures or report awaited.
- †† Banks and Insurance, reserve allocations may preclude calculation of dividend cover.
- s Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ? Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. M Figures based on prospectus or other official estimates for 1974-75. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 27

FINANCIAL TIMES

Friday October 24 1975

No special treatment for doctors warns Foot

BY JOHN ELLIOTT IN HARROGATE

THE GOVERNMENT last night issued its sternest warning so far that it is not prepared to give in to the militant junior hospital doctors' pay demand when Mr. Michael Foot, Secretary for Employment, warned that to give the doctors special treatment would "destroy" the Government's pay policy.

Mr. Foot coupled this tough line with a personal attack on Dr. Derek Stevenson, Secretary of the British Medical Association and then appealed to the doctors to join the 2m. workers who had already accepted rises in line with the £6 policy limit.

Entering the debate over the doctors' pay row during a major review of the Government's employment policies including the newspaper closed shop row at the Institute of Personnel Managers' conference here in Harrogate, Mr. Foot reflected growing Government confidence about the £6 policy being generally accepted in industry when he said: "The general mood, I believe, is that the policy is intelligent and workable. There have been virtually no breaches at all and that is why we must avoid breaches that might occur."

He was speaking against a background of new Government figures which show that more than 200,000 workers in shops, and the plumbing and heating industries have renegotiated deals in line with the £6 and then went on to detail 1.5m. low-paid and other workers in both public and private sector industries such as buses, fire brigades, atomic energy, baking, clothing and insurance who have accepted new £6 deals. There are almost another 500,000 in wages council industries.

From this base Mr. Foot told the conference's 1,700 delegates in a specially prepared section of an otherwise "ex tempore" speech that the Government felt justified in asking the doctors—together with 3,000 Standard Telephone workers who are having £7-£9 rises cut—to fall into line.

Junior doctors, like others, might have a special view of their own special injustices, said Mr. Foot, and these could be rectified in time. But the doctors' review body plan for improved overtime pay could only be "revised, reconsidered or deferred" within the policy.

Stating bluntly the Government's determination to stand firm against the doctors' growing unofficial industrial action, Mr. Foot declared to applause from the personnel managers: "What the Government cannot do is to set aside the pay policy in favour of the junior doctors. That would destroy the policy altogether."

He then attacked Dr. Stevenson, who had angered him earlier in the day by saying that the Government action over doctors losing out on the pay issue had been "morally quite indefensible." Mr. Foot said: "I repudiate that statement entirely" and added that, since the BMA had already accepted the pay proposals before the doctors started their action, "Dr. Stevenson is in no position to talk about anyone else's morals. Instead he should be using his position to discourage the action by junior doctors which can do no good to themselves, their patients or, I suggest, the country as a whole, because the country as a whole has the right to expect the Government to do everything in its power to make this policy succeed." This was because if the policy were "to crumble," it would not only be the Government which would go down. "Dr. Stevenson has got his responsibilities just like anyone else, and we are wondering when he will begin to start to discharge those responsibilities."

Earlier in the day the conference heard a warning from Mr. Frank Chapple, general secretary of the Electricians and Plumbers that the Government's decisions to allow MPs high pay rises and civil servants special incremental rises had not made it any easier for union leaders elsewhere to argue for adherence to the £6.

"Rather they demonstrate the contempt the elite in this country has always had for the intelligence of the ordinary worker, he said. "Having successfully mismanaged the economy since the war and beyond, the Government is being specially rewarded while the rest of us pay the price."

He added that the reasons the unions backed the Government's policy was "because it is our only option."

Junior doctors seek full pay Page 19

EEC bid for steel import agreement

BY DAVID CURRY

BRUSSELS, Oct. 23.

THE EUROPEAN Commission is to seek urgent action in the Organisation for Economic Co-operation and Development for a voluntary system of export and price controls in the steel industry.

Simultaneously it is to start discussions with the steel industry and member Governments to examine the idea of minimum prices on EEC steel products within the Community.

The Commission is hoping that international action will be sufficient to tide the industry over until the economic situation begins to improve, but it admits that at least some of the conditions that would justify a minimum prices regime exist.

It does not rule out the idea that the setting of minimum prices within the EEC and a ban on Community producers being allowed to align their prices downwards to meet import competition might accompany any agreement or voluntary price restraint. Indeed, it tends to regard international agreement as a prerequisite to a workable system of minimum prices.

This decision, which reflects a persistent difference in opinion within the Commission on the desirability for direct intervention in the market, will provoke mixed reactions from the steel industry. The French industry has taken the lead in demanding Commission intervention, but the Germans have consistently opposed this.

The commission is invoking the trade pledge made by OECD members in May, 1974, not to adopt unilateral, beggar-my-neighbour actions to fight the economic crisis. It is seeking self-restraint in prices and in quantities shipped to the EEC.

Imports, which amounted to 5.2m. tons last year against 26.2m. tons in exports, were supplied by Japan (40 per cent.), East Europe (24), Sweden (13), Austria (12) and Spain (9). The Commission is worried over price-cutting by the Japanese, E. European and Spanish producers and about the tendency of some European producers to knock down their prices to meet this competition.

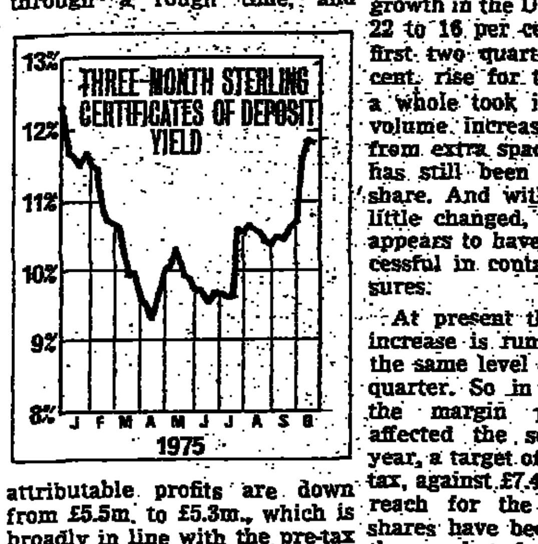
It points out that while EEC production over May, June and July was running 25 per cent. below the same period of 1974, prices were 35-45 per cent. down.

THE LEX COLUMN

Lower targets for Plessey

That special deposits rumour bit the dust again yesterday, at least for another week, and although MLR is unlikely to change to-day, the immediate outlook for short-term interest rates is a good deal more hopeful. The major factor is the Fed's change of stance in the U.S., where money costs have been cheapening sharply, so that Citibank is expected to lead bank prime rates down to 7¾ per cent. to-day. The international downtrend is confirmed by Japan's one-point cut in bank rate to 6½ per cent.

Index rose 5.7 to 351.4



Plessey

Hopes that Plessey might be able to maintain 1975-76 profits at about £40m. pretax will now have to be revised since trading, notably in the U.S., is taking longer to pick up than seemed likely even in July. Second quarter profits are £1.1m. down at £6.8m. for a £3.5m. drop to £17m. after six months (partly affected by the change in year-end). The main declines have, of course, been in components and consumer electronics: although orders for semi-conductors in the U.S. and at Garrard are now definitely on the uptrend, the recovery has been hesitant and uneven. However, profits of the aviation, radar and electronic telecommunications interests, are described as "buoyant," and orders here are also holding up.

The major uncertainty for the rest of the year is the unresolved issue of the cutbacks in the Post Office orders—already on a downtrend—and not least of the problems is that the cuts are going to be greatest on systems, such as Strowger, with little alternative demand, and least for TXE2/Pentex with the largest export potential. So, depending on the rate of the U.S. upturn, Plessey looks unlikely to recoup much, if any, of the first half decline in the current six months, and there may be heavy redundancy payments in the final quarter. The shares have been dull against the market for some time now and are likely to continue to lag at least until the Post Office cuts are clarified: at present, the main attraction is the yield of 8.6 per cent. at 71p.

See also Page 25

Dunlop

For all its recent share price strength, there is not much room for enthusiasm about Dunlop's interim figures. The U.K. has done well, supported by a larger share of the tyre replacement market plus further growth on the industrial side, and Germany is back into profits. But the rest of Europe and North America have been through a rough time, and attributable profits are down from £5.5m. to £5.3m., which is broadly in line with the pre-tax setback.

However, the second half should look better, with recovery in France and the U.S. helping to push attributable profits for the year up from £10.1m. to £11m. or more. And although capital spending will again match depreciation, overall debt is likely to be held at the equivalent of 68 per cent. of total shareholders funds. At the same time there has been a considerable improvement in the debt profile, nearly half of which was short term last December. The FCI has come up with £25m. of 10-year money, and £25m. of "hard core" overdraft borrowing has been switched over to a five-year basis.

With net working capital taking up over two-fifths of the balance-sheet total, the group may need this extra muscle when commodity prices start to rise again. There is no threat to Dunlop Holdings in the continuing disasters at Industrie Pirelli—where losses for the year could be double the first half's £11.7m. attributable, compared with net worth of about £31m. at the start of the period. But there is no immediate prospect of an increase in the dividend, and it requires a fair amount of imagination to get excited about a yield of 8¾ per cent. and a £58m. market capitalisation at 59p.

See also Page 26

Mothercare

Mothercare's interim results —disclosing a 12 per ce[...] to £3.6m. pre-tax—shoul[...] ally deal with the doub[...] the group's growth created by the slowdown[...] a 2.5 per cent. gain in the[...] half of 1974-75. Trading[...] tions certainly have n[...] easy with the rate of [...] growth in the U.K. slippi[...] 22 to 16 per cent. betw[...] first two quarters. The[...] cent. rise for the half[...] a whole took in a 5 p[...] volume increase (three[...] from extra space) so th[...] has still been gaining[...] share. And with gross [...] little changed, Motherca[...] appears to have been su[...] cessful in containing co[...] sures.

At present the rate [...] increase is running at [...] the same level as in the [...] quarter. So in the abs[...] the margin problem [...] affected the second h[...] year, a target of about £[...] tax, against £7.4m., looks [...] reach for the full yea[...] shares have been weak [...] the market for some [...] though at 160p—a fifth [...] the 1975 high—a prospec[...] of around 13 looks sust[...] After all, a 17 per cent. i[...] in selling space is [...] though in the final qua[...] this year.

See also Page 26

Weir Group

Weir Group is repla[...] DM55m. loan with FFI [...] at a currency loss o[...] £3½m.—and asking share[...] for £2½m. of rights cash [...] profits this year are g[...] roughly double to £6m. [...] and by 1976 the first re[...] due from the major [...] Eastern contracts [...] Worthington-Simpson A[...] —which brought the [...] borrowings into the [...] sheet—looks likely to [...] around £½m. for the thi[...] running.

Thus 1970's decis[...] acquire a share in [...] proving a costly mistak[...] re-financing does swa[...] repayable in 1979 for [...] money but the group r[...] less remains highly gea[...] last published figures th[...] would reduce net bor[...] from 154 per cent. to aro[...] per cent. of tangible [...] holders' funds. The g[...] yield is 10½ per cent. a[...] forecast dividend increa[...]

See also Page 24

Commission to examine laws on gambling

By Michael Thompson-Noel

A ROYAL COMMISSION on gambling to be chaired by Lord Rothschild was announced by Mr. Harold Wilson, the Prime Minister yesterday.

The Commission's main purpose will be to investigate the gambling laws—many of which are socially out of date—and the practices and financial structure of the gambling industry. Total gambling turnover is now approaching £3bn.

The Commission's terms will be to inquire into the existing laws and practices relating to betting, gaming, lotteries and prize competitions, with particular reference to:

- The adequacy of current restrictions on the provision of gambling facilities, the consistency of the principles applied to different gambling sectors, and whether there is a need for conformity of control.
- The practices and financial structure of the gambling industries, and the inter-relation of gambling with non-gambling interests.
- The publication of information about gambling activities, the methods of selecting winners of fixing odds, and the appropriation of receipts.
- The contribution made by gambling towards support of other activities (including sport) and the means by which this might be enhanced.

The Commission will be asked to produce an early interim report of the possibilities of a levy on football pools, or on alternative means of assisting sport.

At present the pools companies pay the Football League an annual £2m. copyright fee, while bookmakers and the Tote provide around £8m. for horse-racing. Both sports, none the less, are in severe financial difficulties.

There seems to be no suggestion that the Government is looking for a bigger tax contribution.

But the need for an overhaul of the gambling laws has long been stressed by Sir Stanley Raymond, chairman of the Gaming Board.

Borrowing need not be curbed yet—Healey

BY ANTHONY HARRIS

MR. DENIS HEALEY, Chancellor of the Exchequer, said on BBC radio yesterday he did not think the public sector borrowing requirement would need to be reined in sharply until 1977/78, when he expected the private sector's demand for credit to revive.

In a letter to the 'shadow' Chancellor, Sir Geoffrey Howe, he also said that as far as the Government could tell, the growth of the borrowing requirement was already slowing down sharply.

Mr. Healey refused to be drawn into giving a revised estimate of this year's borrowing requirement. In his letter he explained: "Successive Chancellors, Conservatives as well as Labour, have not published revised figures except in the context of a Budget. I do not intend to depart from that practice."

Mr. Healey made it clear that the Government considers a large borrowing requirement appropriate and necessary at the present stage of the economic cycle, and that it would be inappropriate to reduce it too quickly—as some foreign Governments apparently planned to do.

"I must say one thing that will make me very unpopular in certain quarters," he said in he BBC interview. "I am uneasy about the policies of some of our friends, who although they have been willing to incur large deficits at present, say they plan to eliminate those deficits entirely next year, as soon as a recovery begins.

"If they in fact do so, they may smother the recovery before it has time to get under way."

He would again be urging the Germans and the Americans in particular to carry their expansionary policies a little further to give the lead in a world recovery.

He denied, both to his interviewer—the Oxford economist Mr. Peter Oppenheimer—and to Sir Geoffrey that there was any immediate danger of public borrowing "crowding out" private borrowers in the financial markets.

"At present," he told Sir Geoffrey," the problem is that industry is not seeking the funds which we want channelled into industry. The needs of the public sector for finance are not crowding out the private sector."

In the interview, the Chancellor was not optimistic about economic activity in the short-term; he said the recovery in world trade now appeared likely to be both later and slower than had been expected. On inflation, however, he was more hopeful.

"The rate of inflation accelerated far more rapidly than was forecast. Personally, I believe it may now slow down much more rapidly than many people are expecting."

The Chancellor dismissed as "nonsense" worries about our ability to finance the likely balance of payments deficit.

Had inflation continued at three times the general rate, our credit-worthiness would have vanished, but as the anti-inflation programme was seen to be working, it had improved "by leaps and bounds."

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Time-scale for new industrial strategy may be slowed

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

THE Government's new industrial strategy, aimed at a fundamental change in the U.K.'s performance, is likely to be far from complete when ministers meet the TUC and Confederation of British Industry for talks at Chequers on November 5.

Within the government itself, there have been signs both that expectations of what might be achieved by the strategy are being played down, and that the whole time-scale is being pushed backwards.

Discussion of the strategy, under the auspices of the National Economic Development Council, has already been delayed a month.

It is understood that the much-revised Government document on the strategy was finally cleared by the Cabinet yesterday and will be circulated to NEDC members to-day.

As originally conceived, the new strategy involves a concentration on the provision of Government selective assistance to "growth" industries, with industries thought to have no prospects of expansion being left to fend for themselves.

Once identified, these sectors would have the full weight behind them of the various financial measures available under the Industry Act, the National Enterprise Board and general Budgetary instruments.

The Government paper going out to-day has been prepared jointly by Mr. Denis Healey, Chancellor of the Exchequer and Mr. Eric Varley, Industry Secretary, and their respective departments.

Its very title An Approach to Industrial Strategy is indicative of the low key in which the whole exercise is being conducted.

Mindful of the planning failures of the 1960s, NEDC members were already well aware that the next exercise would be embarked on in a altogether less ambitious way.

But in the past few weeks, it has become apparent that there are significant differences of attitude to the strategy on the part of the Government and the National Economic Development Office.

The difference between the Government and NEDO were hinted at yesterday in a speech by Sir Ronald McIntosh, director-general.

Explaining the results of a separate NEDO analysis already circulated to NEDC members in advance of next month's Chequers meeting, Sir Ronald said:

"It suggests strongly that the solution of our problems does not lie in trying to move resources out of one large industrial grouping into another.

"We cannot base our industrial recovery on our high performance industries alone, because their weight in total demand is too small.

"Instead, it seems clear that we should devote our efforts to improving performance in a wide range of industries by eradicating major impediments to the spread of known best practice techniques.

"Within any industry there are firms which use these techniques and do well internationally. We have to tackle the obstacles which stop other companies from doing as well."

Innocenti closure threat

By Lorne Barling

BRITISH LEYLAND will close down its Italian subsidiary Innocenti next month unless agreement is reached soon to reduce the workforce by about 1,500 people, the company said last night.

The crisis follows the failure of talks this week between union officials and the Italian labour ministry, in which it was hoped to break the deadlock of the past two months.

Mr. Percy Plant, chairman of Innocenti, which produces two versions of the Mini for the Italian market, warned that the U.K. parent company would not inject fresh capital into the subsidiary, even though this would mean liquidation.

Innocenti, which employs 4,500 workers, was producing 60,000 cars a year until the summer when it was hit by recession, cutting output to about 40,000 a year. Since then it has been running at "a sizeable loss."

BL recently admitted that Innocenti was losing money at the rate of £270 on every car it built, implying losses on a full year's output of about £11m.

The company said in London last night that unless real progress was now made in reducing the workforce, Leyland would have to liquidate the Italian unit. "We do not want to close Innocenti but unless we get help from the Italian Government we will have no alternative," it said.

Press still a Lords issue

BY JOHN BOURNE, LOBBY EDITOR

THE CONSERVATIVE leadership has decided that Tory peers should accept the major decisions of the Commons on all outstanding legislation, including the Industry Bill and the Community Land Bill, except on the "constitutional" freedom of the Press issue in the Trade Union and Labour Relations Bill.

On the last issue Mrs. Thatcher and her colleagues are determined to fight for an amendment which gives "statutory backing" to a Press charter.

Whether this will lead to a direct confrontation with the Government will be resolved on November 3, when the Lords debate this section of the Bill.

Although Lord Home urged the Lords yesterday to reject the Commons changes to the Housing Finance (Special Provisions) Bill, Lord Carrington, leader of the Opposition, said before his Tory peers accepted them that one reason why they were not voting against this "Clay Cross" legislation was because they wanted to concentrate their fire on the controversy over Press freedom.

"I for one am in no mood to change our minds when the matter does reappear. This is an issue of the utmost importance," he said.

Some of Lord Carrington's senior colleagues in the party now believe that Lord Goodman's most recent proposed amendments on this issue would provide adequate statutory backing to the Government's proposed Press charter. However, they also say that negotiations on the final amendments to the Bill in the Lords are still continuing.

Yesterday the Government maintained its threatening posture on the Press freedom issue. Mr. Edward Short, Leader of the Commons, told MPs that at the end of the present Parliamentary session, "we shall all have to sit down and take stock of the changing way in which the Lords is doing its business."

Senior Ministers claim that the Lords is abandoning its role as a "revising Chamber," and seeking to throw out legislation passed by the Commons under a Labour Government. Were it to succeed in this, they say, for example on the Press freedom issue, the Government would have to consider legislation to reform the Lords.

The Conservatives regard these threats as mere sabre-rattling, and maintain that the Lords has always had the right to reject legislation which raised major constitutional questions.

Meanwhile, the fight of Tory, Liberal and some cross-bench peers on the Press freedom issue has inevitably prompted some Labour MPs to call for the abolition of the House of Lords. And Mr. Short's remarks to the Commons yesterday were enthusiastically received by his back-benchers.

Press freedom and the law, Page 22

Weather

U.K. TO-DAY

BRIGHT periods, some rain.

London, E. Anglia, S.E. and E. England

Bright periods, rain at times. Wind S. or S.W., moderate. Max. 15C (59F).

N.E., N.W., Central England, Midlands, Channel Is., Lakes

Cloudy, occasional rain. Brighter later. Wind S. moderate. Max 14C (57F).

S.W. England, Is. of Man, Wales

Sunny intervals, showers. Wind S. or S.W., moderate. Max. 14C (57F).

Outlook: Changeable. Rain at times.

Borders, Edinburgh, Dundee Aberdeen, Glasgow, Cent. Highlands, Moray Firth, S.W. and N.E. Scotland

Cloudy with rain at first. Wind S., fresh. Max. 12C (54F).

Orkney and Shetland

Cloudy with rain at first. Brighter later, perhaps showers. Wind S., fresh or strong. Max. 11C (52F).

Argyll, N.W. Scotland, N. Ireland

Sunny intervals. Occasional showers. Wind S., moderate or fresh. Max 13C (55F).

Lighting-up: London 18.20, Manchester 18.25, Glasgow 18.27, Belfast 18.37.

BUSINESS CENTRES

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Amstrdm	C	13	55	Madrid	S	22	72
Athens	F	22	72	Manchestr	F	14	57
Bahrain	S	25	77	Melbourne	F	13	55
Barcelona	C	19	66	Milan	S	15	59
Belfast	R	13	55	Montreal	S	12	54
Belgrade	R	11	52	Moscow	S	1	34
Berlin	C	10	50	Munich	C	6	43
Birmgham	S	14	57	Newcastle	C	15	59
Bristol	S	16	61	New York	S	21	70
Brussels	F	14	57	Oslo	C	6	43
Budapest	C	17	63	Paris	S	15	59
B. Aires	S	21	70	Perth	C	22	72
Cairo	S	30	86	Prague	C	9	48
Cardiff	F	15	59	Reykjavik	R	8	46
Cologne	C	12	54	Rio de J'o	C	20	68
Copnhagn	C	11	52	Rome	S	18	64
Dublin	C	14	57	Singapore	S	30	87
Edinburgh	C	13	55	Stockholm	C	5	41
Frankfurt	F	11	52	Strasbourg	S	9	48
Geneva	C	9	48	Sydney	C	20	68
Glasgow	R	12	54	Tel Aviv	S	25	77
Helsinki	C	4	39	Tokyo	C	18	66
H. Kong	C	25	78	Toronto	S	17	63
Jo'burg	C	16	61	Vienna	C	10	50
Lisbon	C	19	66	Warsaw	C	10	50
London	S	15	59	Zurich	F	15	59
Luxembrg	S	12	54				

HOLIDAY RESORTS

		°C	°F			°C	°F
Ajaccio	F	18	64	Jersey	C	12	54
Algiers	S	24	75	Las Plmas	F	23	73
Biarritz	S	27	81	Locarno	F	15	59
Blackpool	C	11	52	Majorca	S	23	73
Bordeaux	S	20	68	Malaga	S	21	70
Boulogne	S	14	57	Malta	F	20	68
Casablnca	C	23	73	Nairobi	C	20	68
Cape Town	S	22	73	Naples	S	18	64
Corfu	F	21	70	Nassau	S	28	82
Dubrovnik	F	19	66	Nice	S	18	64
Faro	R	17	63	Oporto	C	18	64
Florence	F	16	61	Rhodes	C	18	64
Funchal	S	22	72	Salzburg	S	11	52
Gibraltar	S	18	64	Tangier	F	22	72
Guernsey	C	12	54	Tenerife	F	20	68
Innsbruck	S	12	54	Tunis	C	20	68
Inverness	R	12	54	Valencia	S	22	72
I of Man	R	12	54	Venice	S	17	63
Istanbul	C	21	70				

S—Sunny. F—Fair. C—Cloudy. R—Rain.

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